

Pre-Inaugural Panel Planned To Take Stock of Economy

By Paul F. Horvitz International Herald Tribune WASHINGTON — Before he is sworn in, President-elect Bill Clinton will convene a meeting of leading business executives and economists to take stock of the U.S. economy and help fashion a White House Economic Security Council, his senior aides said Sunday.

The two men who are leading Mr. Clinton's transition to the presidency, Vernon E. Jordan Jr. and Warren M. Christopher, also said they expected the new president immediately to trim what Mr. Christopher called a "somewhat overblown" White House staff. Mr. Clinton pledged during the campaign to cut the staff by 25 percent.

Mr. Christopher said the idea of an economic roundtable, to be held in Little Rock, Arkansas, was still embryonic. Neither he nor Mr. Jordan provided a date or names of people who would be invited. The meeting would be "an attempt to make an audit of where we stand now," Mr. Christopher said. Appearing on separate broadcast news programs, the two aides emphasized that Mr. Clinton would take his time naming cabinet secretaries and other top government officials.



President Richard von Weizsäcker of Germany, splattered by eggs thrown as he tried to address the Berlin rally Sunday.

A Berlin Mob Drowns Out Official Voice Of Tolerance

Pelted by Anarchists, President Shortens Plea On Foreigners' Behalf

By Marc Fisher Washington Post Service BERLIN — Germany's attempt to prove to itself and the world that it is not anti-foreigner ended Sunday in a debacle when hundreds of leftist anarchist protesters brought a mass demonstration to a halt with a barrage of paint bombs, eggs, tomatoes, catcalls and angry chants. While radical youths chanted "hypocrites, hypocrites" and the nation watched on television, President Richard von Weizsäcker stood before more than 250,000 people, seeking in vain to deliver a speech urging tolerance.

Europe: An Industrial Model? A Mixed Record, With Big Successes and Big Failures

By Roger Cohen New York Times Service PARIS — In 1969, a discussion began in Germany between the government and industry about the development of a train without wheels, powered by electromagnets. After an investment of \$1 billion of German taxpayers' money, the Transrapid train is now ready for use; its first route may be between the Orlando, Florida, airport and Disney World in 1996.

It is too early to say whether the Transrapid, which travels at 290 kilometers an hour (180 miles an hour), will be a commercial success. But the development of this relatively quiet, fast and ecologically desirable train illustrates the way in which governments and private companies have frequently worked together in Europe on innovative but costly industrial projects.

France has indeed been modifying the government's role in recent years, selling shares in some state companies, doing away with exchange controls and reducing central planning. Its shift has been in line with a marked change in European industrial policy over the last decade, as Europe's emerging single market has brought pressure for greater competitiveness.

France Calls for Sanctions on U.S.

Compiled by Our Staff From Dispatches Top European Community officials and an advisor to President-elect Bill Clinton said Sunday that there was hope that a full-scale trade war could be avoided, as the Europeans and Americans appeared willing to revive talks on farm subsidies.

And the deputy Commission president, Frans Andriessen, said Sunday that France was not alone in opposing the U.S. position, adding that "there is more resistance in the European Community."

American and EC trade ministers said they would get back to the negotiating table, but acrimony lingers and neither side has given any hint of compromise.

Bush Leaves Clinton a Postelection Foreign-Affairs Hangover

By Thomas L. Friedman New York Times Service WASHINGTON — While President-elect Bill Clinton puts together an administration devoted to keeping his promises on domestic affairs, the Bush team is leaving him with a series of problems abroad that could force him to devote much more time than he had planned to foreign policy.

reins of foreign policy tightly in their own hands, lower-level officials were not being taken as seriously abroad. "It was obvious to a lot of people abroad that the administration was not engaged in foreign policy at a level that was politically significant," a senior administration policymaker said.

Mr. Bush still has time to refocus on foreign affairs, but for now, administration officials point to a series of diplomatic problems that worsened during the campaign.

Backpedaling by the Russians on their commitments with Mr. Bush last June to destroy SS-16 intercontinental nuclear missile silos and some other multiple-warhead missiles as part of the follow-on agreement to the Strategic Arms Reduction Treaty. Had he not been distracted, Mr. Bush would almost certainly have sent Mr. Baker to Moscow to get the agreement back on track.

Turkey is close to a decision to stop allowing its bases to be used by the United States to support the no-flight zone over northern Iraq and relief operations for the Kurds. Without Turkey, a Clinton administration would have much less room to maneuver against any new Iraqi military threat.

The Arab-Israeli peace talks have stalled. In Washington, Carla A. Hills, the U.S. Japan and South Korea urge Clinton to keep a strong U.S. presence in Asia. Page 2.

Kiosk

Rockets Strike Northern Israel

JERUSALEM (AFP) — Several Katyusha rockets fired from southern Lebanon struck areas of northern Israel late Sunday, causing some small forest fires but no casualties, journalists in the region reported. The rockets, fired after Israeli air raids in southern Lebanon killed four pro-Iranian Hezbollah fighters and wounded six, fell in western Israel near the Mediterranean and near Kyriat Shmona in the east, they said.



CAMBODIA TALKS END DIVISIVELY — Participants in talks on Cambodia as they headed to a meeting Sunday in Beijing. From left: Yasushi Akashi, UN representative in Cambodia; Roland Douma, French foreign minister; Prince Norodom Sihanouk of Cambodia; Foreign Minister Ali Alatas of Indonesia. Khmer Rouge intransigence brought about the collapse of the talks. Page 2.

Aid Moscow's Reactors, Experts Say

By Malcolm W. Browne New York Times Service VIENNA — Senior Russian nuclear officials have told a watchdog group of Western experts that Russia's graphite-core nuclear reactors — the kind that blew up at Chernobyl in 1986 — will go on operating indefinitely. If the West wants to make them safer, it can help to pay for improvements, but in any case, the reactors will not be shut down.

At a meeting sponsored by the UN International Atomic Energy Agency that ended in Vienna on Thursday, nuclear experts from nine Western countries conferred with senior nuclear power officials of the former Soviet Union on the safety of Soviet Chernobyl-type reactors. Of 62 Soviet-designed reactors operating in the former Soviet republics and Eastern Europe, 47 are

oppose their continued operation, and has sought to discourage or bar financing of measures that would prolong the reactors' lives. But American and European technical experts acknowledged at the meeting that this position was unrealistic, and that the former Communist countries using the reactors should get all the help the West can afford, since these reactors are essential to the faltering economies of Russia, Ukraine and the Baltic states.

Russians Parade to 'Stalin'

By Fred Hiatt Washington Post Service MOSCOW — It has come to this: Russia's vice president marked the 75th anniversary of the Bolshevik revolution by attending the world premiere here of an American film about Stalin. While diehard Communists could muster only 20,000 to march from Lenin's statue to the Kremlin, Home Box Office took control of history with "Stalin," a film starring Robert Duvall and concentrating heavily on the dictator's personal life.

Movies, on Saturday, the first Revolution Day since the demise of the Soviet Union, provided a measure of how much has changed. Instead of watching from Lenin's mausoleum as hundreds of thousands of soldiers and Young Pioneers marched past, Marshal Yevgeni I. Shaposhnikov, former commander of Soviet forces and now chief of the Commonwealth of Independent States unified armed force, caught the film with Mr. Duvall; his co-star, Julia Ormond; the director, Ivan Passer; and the chairman of Home Box Office, Michael Fuchs.

And instead of orchestrating the mass parade, Russian authorities closed Red Square — ostensibly to repair its cobblestones — and mobilized thousands of policemen to keep an eye on the Communists and hard-line nationalists who marched nearby in opposition to President Boris N. Yeltsin and his reformist government. Mr. Yeltsin has lately described that extremist "left."

General News A warship escorting a platoon collided with a Greenpeace vessel. Page 2. Alexander Dubcek, the Prague Spring hero, died. Page 5. Business/Finance British industrialists call for a cut in interest rates. Page 11.

Vertical text on the right margin, including page numbers and other markings.

Greenpeace Vessel Collides With Escort Of Plutonium Ship

Compiled by Our Staff From Dispatches

PARIS — A Japanese escort ship collided Sunday with a Greenpeace vessel tracking a freighter carrying toxic plutonium bound for Japan, the Greenpeace crew reported.

Greenpeace and other environmental groups oppose the maritime shipment, saying it poses huge dangers ranging from a spill to an attack by terrorists seeking material to manufacture nuclear bombs.

The collision, apparently a sideswipe, involved the Greenpeace vessel Solo and the Japanese warship Shikishima, which is escorting a Japanese freighter carrying 1.7 tons of plutonium.

The Shikishima rammed the Solo at 0645 GMT about 40 miles east of Okinawa Island off the French-British coast, said a Greenpeace spokeswoman, Cindy Baxter.

"The Solo is undamaged and is continuing to follow the Akatsuki Maru at a safe distance in accordance with maritime regulations," she said.

The Shikishima is protecting the freighter Akatsuki Maru on its voyage to Japan with the plutonium.

Ms. Baxter said the collision, at a cruising speed of about 13 knots, followed what she called a night of intimidation in which the Japanese armed vessel repeatedly approached the Solo, trained spotlights on its bridge and broadcast warnings.

Japanese officials in Tokyo refused to comment on the reports.

Earlier in the day, there were clashes between security forces and environmentalists as the plutonium was loaded aboard the Akatsuki Maru in Cherbourg.

France, a leader in nuclear technology, processes fuel for several countries. The plutonium aboard the Akatsuki Maru was extracted from spent Japanese reactor fuel at a plant near Cherbourg run by France's state-owned nuclear-fuel processing agency, known as Cogema. The shipment is the first of 30 tons to be returned to Japan this decade under a \$4 billion contract.

Japan says the plutonium is



French commandos arresting Greenpeace activists who tried to disrupt the loading of plutonium aboard a Japanese ship in Cherbourg.

Indonesian Calls for 'Outward-Looking America'

Indonesia, which now heads the Non-aligned Movement, is nonetheless anxious to see the United States maintain a substantial military presence in East Asia and the Western Pacific. Ali Alatas, the Indonesian foreign minister, discussed the U.S. role in the region with Michael Richardson of the International Herald Tribune.

Q. Why?
A. It is in the interests of both sides that America remain actively engaged in the economic development of this region. Economies in East Asia are growing.

MONDAY Q&A

strongly. America's trade across the Pacific far surpasses its trans-Atlantic trade. The U.S. also has significant investment in Asia. But in Southeast Asia, it is lagging behind Japan and many other countries. We are vitally interested in having dealings with all the major economies.

Q. Do Indonesia and its partners in the Association of Southeast Asian Nations want the U.S. to retain a military presence in Asia?
A. As we in ASEAN see it, the outer dimensions of our security environment are determined by the four major powers: the U.S., formerly the Soviet Union, now Russia, Japan and China. In the Cold War, a kind of equilibrium existed, mostly anchored on the Japan-U.S. security treaty.

Now that the Cold War is over, we are

moving into a new security environment. In this transition period, we hope that an equilibrium will be found at a lower level of confrontation and armaments than before, because there is no need for them anymore.

However, one cannot speak of an equilibrium if one of the major components, the U.S., drastically reduces its presence. That is why ASEAN countries are of one view that the American security presence must remain in East Asia and the Western Pacific.

Q. The last U.S. forces based in the Philippines left on Nov. 24. Most of the remaining American military presence in Asia is stationed in Japan and South Korea. Do you want a similar U.S. presence in Southeast Asia?
A. Indonesia believes that it need not take the form of foreign military bases. Now even the Americans concede that they do not really need such bases anymore.

Q. Singapore and some other ASEAN countries have granted U.S. forces rights of access to their ports, airfields and dockyards. Does Indonesia oppose that?
A. We can see the relevance for the U.S. of having access agreements like the ones they have concluded with Singapore. That is why, after the accord was explained to us, we accepted the cooperation between Singapore and the U.S. We were convinced that it was not a foreign military base or an arrangement moving in that direction. It is a form of cooperation that allows the U.S. to make enhanced use of facilities that remain under Singaporean control and sovereignty.

We have no difficulty in seeing its merits, although I do not think that Indonesia would be able to have that kind of arrangement.

Q. China has sharply increased its military spending over the past three years. The Chinese Navy is being upgraded to extend its reach. Does this concern Indonesia?
A. We are watching it very carefully and trying to establish what the ramifications are for regional security. We are a bit worried already. It is too early to talk about a regional arms race. But we do see certain countries buying more arms and certain major countries aggressively selling arms to the region.

King Hussein Urges Iraqis to End Saddam's Rule

By Youssef M. Ibrahim
New York Times Service

AMMAN, Jordan — King Hussein of Jordan says that Iraq is suffering badly under sanctions imposed by the United Nations and suggests that it is time for Iraqis to end the government of President Saddam Hussein and push for a democratic, pluralistic society.

Although he did not specifically call for Iraqis to overthrow Mr. Saddam, he provided a bleak description of conditions in Iraq and a caustic assessment of the man he long viewed as his friend and ally and actively supported during the Gulf War and in its aftermath. The king did not directly refer to Mr. Saddam by name.

"I think that the situation cannot last for very long in any event, and I think that there is every need for the Iraqi people themselves to put an end to it," the king said, speaking

over the weekend at his palace here.

He added that there was also a need "for all of us to see what can be done to see Iraq recover its territorial integrity and the unity of its people under conditions of freedom of choice and for them to be able to move ahead."

The king's remarks were a significant departure from his silence in recent months as the United States and other Western nations have stepped up pressure on Iraq, tightening sanctions, increasing inspections and barring Iraqi aircraft from specific zones in northern and southern Iraq.

His comments could well be a psychological blow to Mr. Saddam because Jordan is the last neighbor with which Iraq has a relationship. In the last year, it has become increasingly clear to Jordanian decision makers that Iraq's strategic

An Appeal To U.S. by Japan and South Korea

By T. R. Reid
Washington Post Service

TOKYO — The leaders of Japan and South Korea called Sunday on President-elect Bill Clinton to maintain the United States' diplomatic and military presence in Asia, saying the U.S. role is essential to maintain stability.

In a low-key and evidently friendly one-day summit meeting in Kyoto, Japan's ancient capital, Prime Minister Kiichi Miyazawa of Japan and President Roh Tae Woon of South Korea both said it was important to emphasize the need for a continued American presence, according to an report on the meeting from Japan's Foreign Ministry.

The meeting was part of an effort by Seoul and Tokyo to build better relations between two Asian neighbors that were at war or at least at odds for most of the first half of the century.

According to the Japanese Foreign Ministry, Mr. Roh said he hoped that South Korea and Japan could build a relationship like that between Germany and France.

Those two World War II enemies became allies after the armistice and now hold regular bilateral summit meetings.

Sunday's meeting was first proposed when the two leaders met in January. But it became more important in international terms when President Boris N. Yeltsin of Russia canceled his scheduled visit to Japan and South Korea in September.

Since then, Mr. Yeltsin has rescheduled the South Korean part of his trip, and in fact will arrive in Seoul next week. But he has pointedly not rescheduled his Japanese visit, and evidently will not do so until Japan and Russia make some progress on solving their territorial dispute over the Kuril Islands.

By meeting for a friendly chat on Sunday, the South Korean and Japanese leaders were trying to demonstrate that Mr. Yeltsin will not be able to use one of those neighbors against the other. On the other hand, Mr. Roh took a neutral stance on Sunday on the territorial argument, saying only that he hoped it could be peacefully resolved.

According to Japan's Foreign Ministry, the two leaders both asserted that they want to see the United States continue to be a major player in Asian affairs, both in its diplomatic and military roles.

The United States has about 40,000 troops in South Korea and about the same number in Japan. Although Mr. Clinton has indicated he will reduce the U.S. military presence in Europe, he has not said the same about Asia.

Mr. Roh and Mr. Miyazawa also agreed, according to the Japanese government, on the importance of preventing North Korea from developing nuclear weapons.

WORLD BRIEFS

French Rightists Beat Up Reporters
PARIS (AP) — Extreme-right militants spat upon, punched and kicked journalists covering a political rally Sunday marking the 20th anniversary of the National Front, prompting a media boycott of a closing speech by the party leader, Jean-Marie Le Pen.

A lightning technician for the television network TF-1 was knocked unconscious by assailants as other National Front supporters cheered and yelled "media fascists" at 50 reporters, photographers and television crews present.

The walkout — unheard of at a major political event — was prompted by anger and fear of more attacks. The crowd numbered a few thousand people, including tattooed skinheads, at the Bourget convention center.

Africans Threaten Liberia Sanctions
MONROVIA, Liberia (AP) — Nigerian forces of the West African peacekeeping force pushed a stronghold of Charles Taylor's rebels early Sunday soon after West Africans at an emergency meeting threatened to impose sanctions on Liberia's warring factions.

In Abuja, Nigeria's administrative capital, West African leaders threatened to impose the sanctions if a cease-fire was not begun by midnight Tuesday was not observed, Nigerian radio said Sunday.

The sanctions threat was clearly aimed at Mr. Taylor, as was a threat in September to start sanctions by Oct. 22 if Mr. Taylor's forces didn't disarm. That threat was not carried out. Liberian officials noted Sunday.

New UN Team Arrives in Baghdad
BAGHDAD (AP) — United Nations nuclear specialists arrived in Baghdad on Sunday, seeking a list of foreign companies who helped build President Saddam Hussein's nuclear weapons program and preparing to spring surprise checks of suspect plants.

"We have a lot of unfinished business," said Dimitri Pericos, the Greek leader of the 32-member team, on arrival after a flight from Bahrain. There was no formal reception, nor any protests by Iraqis who have been increasingly hostile to the UN teams because of worsening hardship caused by sanctions imposed in August 1990.

Rights Study Cites Terror in Kashmir
WASHINGTON (NYT) — A new Indian government drive on separatists in the Kashmir Valley has resulted in dozens of killings of suspected militants by military forces and the widespread terrorization of civilians, according to two American human-rights organizations that sent representatives to the area in October.

The military campaign, which began in August, has also resulted in the sexual abuse and murder of noncombatants, said the report, compiled by Asia Watch and Physicians for Human Rights.

"Detainees are routinely subjected to severe and prolonged beatings, electric shock and other forms of torture," it said. The report added that representatives of the two organizations had documented "a number of cases of renal failure caused by the extensive use of the roller torture treatment, which crushes the muscle tissue and releases toxins, which cause serious, and sometimes fatal, damage to the kidneys."

Norway Party Votes to Back EC Bid
OSLO (Reuters) — Norway's governing Labor Party voted Sunday to seek membership of the European Community, even though opinion polls indicate that most Norwegians oppose joining. The vote at the party's annual convention was 183 to 106.

The Labor Party vote swings the majority in parliament in favor of an application, which would be Norway's third since the early 1960s. An opinion poll on Sunday in the daily Dagbladet showed 55 percent of voters against membership. Officials say an application could be sent in late November, enabling Norway to negotiate membership with Sweden and Finland, which have also applied.

Norwegians rejected membership in a 1972 referendum and will have to be consulted again. Prime Minister Gro Harlem Brundtland urged the annual party convention in Oslo to submit an early application, saying it would help safeguard Norwegian interests, ranging from Arctic farming to trade and investment.

9 Die in 33 Colombia Terror Attacks
BOGOTA (AP) — Terrorists launched 33 attacks across Colombia overnight, killing 9 people and wounding 60, the authorities said Sunday. The explosions came a day after President César Gaviria Trujillo went on national television to denounce the rebels as common criminals. The bombs exploded alongside public buildings or banks in Bogotá, Medellín, Cúcuta and other cities.

In the past 10 days, drug dealers have killed 20 police officers in retaliation for the death of Brances Muñoz Mosquera, the security chief for Pablo Escobar Gaviria, a fugitive drug trafficker. The authorities say the Medellín cocaine ring is paying hired assassins the equivalent of \$2,100 for each policeman they kill in Medellín.

In addition, leftist rebels of the Simón Bolívar Guerrilla Coordinator began a bloody offensive Saturday, killing 26 policemen who were protecting oil drills at a petroleum field in southern Colombia.

The Kowloon Hotel's in-room Telecentres let you get three times as much work done.

THE KOWLOON HOTEL HONG KONG

SHARE THE EXPERIENCE

Telephone (852) 369 8698 Fax (852) 739 9811

The Peninsula Hong Kong • Manila • New York • Beverly Hills
The Palace Hotel Beijing • The Kowloon Hotel Hong Kong

Israel, Not as Jewish as It Once Was
Birthrate of Muslims in Nation Outpaces That of Jews

By Clyde Haberman
New York Times Service

JERUSALEM — The Jewish state has learned that staying Jewish is a bit harder than it used to be, a demographic discovery with important political implications.

New government statistics, compiled last year, show that the birthrate among Israel's Jews has dipped to its lowest level since the founding of the state in 1948: an average of 2.6 children per Jewish woman. By comparison, Muslim women in Israel have an average of 4.7 children each, a slight increase from the previous year but barely half the figure of 30 years ago.

That imbalance in birthrates is hardly new. It has troubled Israeli leaders from the beginning, raising concerns among them that an inexorable rise in the percentage of Arabs in the population could one day imperil the country's Jewish character.

But the latest figures acquire added significance as Israel continues to absorb one of the larger waves of immigration in its history — new arrivals from the former Soviet Union, who still arrive by the thousands each month.

Officials are glad to see them, not just because they want to help co-religionists escaping hard times but because they also are looking for a stopgap against the relatively fast-growing Arab minority.

Indeed, the report from the Central Bureau of Statistics shows that only a heavy influx of Jews from overseas — 177,000, mostly from Russia and other former Soviet republics — kept the Jewish majority steady last year.

It stood at 81.9 percent of the 5 million people

Israel, Not as Jewish as It Once Was
Birthrate of Muslims in Nation Outpaces That of Jews

living inside Israel's pre-1967 borders and in East and West Jerusalem. Muslims accounted for 13.9 percent, Christians for 2.5 percent and Druze and others for 1.7 percent.

Without the Russians, the Jewish share would have slid toward 80 percent, continuing a steady erosion that saw it go from 88.9 percent in 1960, to 85.4 percent in 1970, to 83.7 percent in 1980.

Demographic concern is one reason that no Israeli government has been prepared to annex the West Bank and Gaza Strip, occupied since the 1967 Middle East war.

There are 1.7 million Arabs estimated to be living in those territories, and if they were to be incorporated into Israel the way East Jerusalem was, they would reduce the overall Jewish proportion to about 60 percent. That, demographers say, would give way to Jewish-Arab parity in about 25 years.

Such a prospect chills the blood of most Israeli politicians, including Prime Minister Yitzhak Rabin, who says he is ready to give up some of the West Bank to the Palestinians and who would gladly yield Gaza to anyone willing to take it. In a recent unguarded moment, he told an audience that he would just as soon "see Gaza drown in the sea."

A quirk in the new statistics is that while the Russians helped stabilize Israel's percentage of Jews, they also were largely responsible for the drop in the Jewish birthrate to its all-time low.

That is because of the many elderly people among them and because the new immigrants have an average of only 1.5 children each, compared with 2.7 per woman in the more established Jewish population.

China Helicopter Hits Store, Killing 33
Agency France-Press

The Soviet-built MIL MI-17 helicopter, which was hired to spread promotional leaflets, was flying too low when it hit the Huanghe Department Store in Yuanyang, in Henan Province, on Thursday, the agency said. Medical and rescue workers rushed to the scene, Xinhua said, adding that the accident's cause was under investigation.

The agency gave few other details and did not say how many victims were aboard the helicopter and how many on the ground. It also did not explain the delay in reporting the accident.

TRAVEL UPDATE

Egypt has decided to buy four helicopters to protect tourist sites following Muslim militant attacks on foreigners in Upper Egypt, semi-official Egyptian newspapers said Sunday. Information Minister Sawfar Sherif was quoted as saying that ministers discussed the negative impact of the Oct. 21 ambush of a tourist bus by militants in which a British woman was killed.

Another 140 people have died of cholera over two days in Zambia's Copperbelt Province, it was reported Sunday in Lusaka. The semi-official Sunday Times of Zambia said victims were now being buried in mass graves to relieve morgues. Health Minister Bonifacio Kawimbo said Sunday that 286 people had died since the disease broke out a week ago. But journalists in the area say twice that number may have died. (APF)

This Week's Holidays
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Burma, Colombia, Pakistan, Sri Lanka.
TUESDAY: Panama.
WEDNESDAY: Angola, Belgium, Britain, Canada, France, Guam, Monaco, Poland, Puerto Rico, United States.
THURSDAY: Taiwan.
SATURDAY: Guinea-Bissau, Jordan.

Sources: J.P. Morgan, Reuters.

Talks Fail, Clouding Cambodia Accord

Compiled by Our Staff From Dispatches

BEIJING — International talks on salvaging Cambodian peace accords collapsed on Sunday, throwing a United Nations peacekeeping operation into disarray and raising the prospect of renewed bloodshed.

The talks in Beijing were seen as vital in the effort to persuade the Khmer Rouge to lay down its arms and comply with the Paris peace accords it signed in October 1991. But the Marxist guerrillas refused to budge.

Khieu Samphan, the Khmer Rouge representative at the talks, warned of an "explosion one day that people cannot foresee now."

Roland Dumas, the French foreign minister, and Ali Alatas, co-chairman of the Paris Peace Conference, suggested that the accords would have to be at least partly rewritten after they report to the United Nations Security Council on the outcome of the latest talks. The deadline for their report is next Sunday.

Mr. Alatas said he and Mr. Dumas would discuss "appropriate adjustments" in the peace plan with the UN secretary-general, Boutros Boutros Ghali.

The co-chairmen made clear that UN-supervised elections should go ahead, with or without the Khmer Rouge.

But other Western diplomats

NOTE

TRADE

In the case of...

...

VOTE '92 / THE PEROT FACTOR

★ TRANSITION NOTES ★

In This Congress: New Faces, Big Change

WASHINGTON — A Democratic president and the biggest freshman class in 44 years have prompted a full-scale reorganization of Congress and raised the likelihood that some of the nation's most divisive issues could be resolved after years of stalemate.

A total of 32 spots have opened up in two "hot" House committees — Ways and Means, which proposes taxes to pay for the government's business, and Appropriations, which decides how to spend the money. Experienced members are ready to abandon other committees for the chance to win one of these plum assignments.

Legislative logjams on critical issues — legislation guaranteeing women the right to abortion, imposing gun control and reforming campaign finances — could give way after years of gridlock. The balanced-budget amendment, narrowly defeated this year but still a popular idea, is most likely to get a fresh look.

In the House, leaders must carefully cultivate 110 freshmen whose displeasure could cause older heads to roll. Democratic chiefstims are meeting with new members three times this week to learn their desires.

At the same time, however, leaders have a rare opportunity to impose party discipline, and the Democratic leadership is expected to deliver the message: Good committee assignments can be obtained, but loyalty on tough votes will be demanded in return.

The Senate will have at least 11 new members, four of them women. Democrats failed to win a filibuster-proof majority but will have the weight of a Democratic White House behind them for the first time in 12 years.

Scarcely had the election results become known last week than the congressional job stampede began. Retirement, death or defeat had left three House committees without chairmen and 11 committees without ranking minority members. Dozens of subcommittees lost leaders or ranking members.

The Appropriations Committee, which dictates spending in every aspect of government life, has a perhaps unprecedented 19 vacancies and will experience a top-to-bottom change as congressional leaders adjust to the new political realities in Washington.

With a member of their party in the White House, House Democratic leaders will try to shape spending and tax legislation to accommodate the new president's economic proposals. The Appropriations Committee, which for years has prided itself on its independence and bipartisanship, will be under increased pressure to embrace the new Democratic agenda. (WP)

Jackson and Friends Rally Round Clinton

WASHINGTON — The Reverend Jesse Jackson, who was relatively silent during the presidential campaign, led a group of about 150 prominent advocates for minorities, women and other political groups in celebrating Bill Clinton's victory and in urging that the new administration make good on the candidate's promises on a variety of economic and social issues.

In a gathering at the Hyatt Hotel in Washington over the weekend, Mr. Jackson sounded a note of compromise and political consolidation.

He said the loosely formed coalition of advocacy groups should keep pressure on the White House to follow through on promises of jobs programs, education, health-care improvements and a wide range of civil-rights matters.

Mr. Jackson termed those gathered a "cross section of current policymakers and activists." They included Mayor Sharon Pratt Kelly of Washington; the consumer advocate Ralph Nader; Patricia Ireland, president of the National Organization for Women; Dorothy Height, head of the National Council of Negro Women; newly elected black and Hispanic government officials; top Democratic National Committee staff members; and a half-dozen prominent union leaders. Mr. Jackson urged them to work together as "an army to fight for the plan for change."

At a news conference after the gathering, he said he intended to work with the Clinton administration to "walk arm in arm to defeat the forces resisting change."

Asked about the tension between himself and Mr. Clinton's campaign, Mr. Jackson dismissed those reports. "We campaigned hard for the newly apportioned seats across the South and we won each one of them," he said. "The issue was always about Clinton and Bush, not Clinton and Jackson." (NYT)

Vote Lifted a Weight From Dole's Shoulders

WASHINGTON — Some were elated by the elections; others were depressed. Senator Bob Dole was liberated.

"Let's face it, sometimes when you carry the administration's water, it's a pretty heavy bucket," the Kansas Republican said in an interview. "Other times, it was a light bucket. But, now, suddenly you're a free spirit, a free agent, you've been unshackled."

For four years after then-Vice President George Bush buried Mr. Dole's presidential ambitions in New Hampshire, the normally acerbic Kansan bit his lip, hid any hard feelings and demonstrated extraordinary loyalty in pushing the legislative program of his former rival.

Now, with Mr. Bush having been denied a second term by Mr. Clinton, an unfettered Bob Dole has moved to occupy the center of the Republican stage.

He continues to defend Mr. Bush and to express regret at the president's defeat. But Mr. Dole does not hide his exhilaration about the challenges and opportunities he faces in a new role as the most prominent Republican who will still be in office here after Inauguration Day, Jan. 20. (WP)

Quote-Unquote

President Bush, in a radio address to the nation: "Having known the sweet taste of popular favor, I can more readily accept the sour taste of defeat, because it is seasoned for me by my deep devotion to the political system under which this nation has thrived for two centuries." (WP)

Away From Politics

• Three Brooksville (Florida) High School honor students have been accused of illegally making tens of thousands of dollars worth of long-distance calls as computer hackers. Brian McGrogan, 16, and Edmund Padgett, 17, who were charged as adults, and a 15-year-old allegedly tapped private telephone systems and dialed into an international hacking network. One company's loss was \$36,000.

• A man charged with failing to pay the \$1.25 subway fare in New York had \$10,187 cash in his pockets when he was arrested, the police reported. William Felix, 22, a fast-food worker and hotel cleaner in Greensboro, North Carolina, said he had saved the money to buy a car.

• Eddie Antar, the imprisoned founder of the defunct Crazy Eddie Inc. electronics chain, tried to kill himself while being held in a jail in Jerusalem, U.S. authorities said. Mr. Antar, indicted for defrauding Crazy Eddie stockholders of \$83 million, was discovered unconscious in his cell.

• An outline of a speech given by the Reverend Martin Luther King Jr. was auctioned for \$38,500 in Los Angeles, despite a lawsuit filed the day before to block the auction by his heirs. They said the outline was stolen property. The auction went forward, but the papers will stay put until the suit is settled.

• In a case that resembled the 1991 attack on Rodney G. King, the Detroit police said that a 35-year-old black motorist was beaten to death by two white Detroit officers while five other officers looked on. Police Chief Stanley Knox, calling the attack a disgrace, suspended all seven officers without pay. He said arrest warrants were being sought against the officers.

• A former juror in a John Gotti racketeering case was found guilty of selling his vote to acquit the mob boss on March 13, 1987. George Pepp was convicted of obstruction of justice charges in Federal District Court in Brooklyn, New York. Last April, Mr. Gotti and a co-defendant, Frank Locascio, were convicted of racketeering-murder charges in another case. Both were sentenced to life in prison.

• Robert E. Ray, the New York motorist whose subway train crashed near Union Square Station last year, killing five passengers, was sentenced to 3 to 15 years in prison for manslaughter.

• Sol Wachler, the chief judge of the New York State Court of Appeals, was arrested by U.S. agents and charged with threatening and trying to extort money from a woman friend who had broken off a long relationship. Judge Wachler was charged in a complaint with sending a lewd greeting card to a 14-year-old girl, threatening to kidnap her and demanding \$20,000 in exchange for photographs and tapes from a woman identified only as "J.S." in court papers. (AP, WP LAT, NYT)

Bush Makes His Pitch To Writers Of History

By Steven Greenhouse

New York Times Service

WASHINGTON — President George Bush began a new campaign over the weekend — one to win the hearts and minds of historians.

"I hope history will record that the Bush administration has served America well," he said in a short, eloquent radio address on Saturday. "America has led the world through an age of global transition. We've made the world safer for our kids, and I believe the real fruits of our global victory are yet to be tasted."

Mr. Bush predicted that chroniclers of the presidency would ultimately treat him more kindly than campaign commentators have after his election loss.

"When you win, your errors are obscured," he said. "When you lose, your errors are magnified. I suspect history will take the edge off both interpretations."

Seeing how Republicans have begun pummeling each other over who was to blame for the president's defeat, Mr. Bush sought to snuff out the intraparty warfare. "I captained the team, and I take full responsibility for the loss," he said. "No one else is responsible. I am responsible."

He added that there must be "no finger-pointing, no playing the blame game."

Recognizing that a loss after a bitterly fought campaign can produce rancor, he urged Republicans not to play a divisive role during a Clinton administration. "I realize that defeat can be divisive," he said, "and I want the Republican Party to be as constructive on the outside of executive power as it has been for 12 years on the inside."

He said that President-elect Bill Clinton "needs all Americans to unite behind him so he can move our nation forward."

Speaking in a tone light years removed from his campaign language, Mr. Bush said: "Way back in 1945, Winston Churchill was defeated at the polls. He said, 'I have been given the order of the boot,' and that is the exact same position in which I find myself today. I admit this is not the position I would have preferred, but it is a judgment I honor."

He concluded by saying that he and his wife would head back to Texas on Jan. 20. "For us, there will be no more elections, no more politics," he said. "But we will rededicate ourselves to helping others because, after all, that is the secret of this unique American spirit."

The White House announced that Transportation Secretary Andrew H. Card Jr. would head the administration's transition team working with Mr. Clinton's advisers. Mr. Card earlier was deputy chief of staff in the White House and was deputy director of Mr. Bush's transition team after his 1988 victory.



President-elect Bill Clinton taking a break from lining up his transition team to line up a putt on the 13th green at the Chenal Country Club in Little Rock.

Perot Didn't Alter Electoral Outcome, Poll Shows

By E. J. Dionne Jr.

Washington Post Service

WASHINGTON — Ross Perot's presence on the 1992 presidential ballot did not change the outcome of the election, according to an analysis of the second choices of his supporters.

The analysis, based on exit polls conducted by Voter Research & Surveys for the major news organizations, indicated that in Mr. Perot's absence, only Ohio would have

Vatican Paper Cautions Clinton Over Abortion

The Associated Press

VATICAN CITY — The Vatican newspaper warned Bill Clinton on Sunday not to let the United States slip into immorality, referring to the president-elect's support for the right of women to have abortions.

The front-page remarks by L'Osservatore Romano were the closest the Holy See has come to an official comment on Mr. Clinton's victory.

The newspaper praised President George Bush for his "political wisdom" in domestic and foreign affairs, mentioning his stands "in defense of life" and disarmament.

The commentary began by saying that Mr. Clinton would be the first president in a "new historic phase" that opened with the fall of the Berlin Wall.

It offered its good wishes, but said they were "deeply rooted in moral concern."

have shifted from the Clinton column to the Bush column.

That would still have left Bill Clinton with a healthy 349-to-189 majority in the electoral college.

And even in Ohio, the hypothetical Bush margin without Mr. Perot in the race was so small that given the normal margin of polling error, the state still might have stuck with Mr. Clinton.

In most states, Perot voters' second choices reinforced the actual outcome. For example, California, New York, Illinois and Oregon went to Mr. Clinton by large margins, and Perot voters in those states strongly preferred Mr. Clinton to President George Bush.

On the other hand, Texas and Florida went to Mr. Bush, and Perot backers in those states preferred Mr. Bush to Mr. Clinton. In Texas, home state to both Mr. Bush and Mr. Perot, the billionaire took about three votes from the president for every two he took from Mr. Clinton.

Only in a few Southern states that Mr. Clinton carried — notably Tennessee — did the majority of

Perot supporters go against the

grain and prefer Mr. Bush to the Democrat.

In 24 state exit polls, Voter Research & Surveys asked voters how they would have voted had Mr. Perot not been on the ballot.

Only Ohio would have shifted from Mr. Clinton to Mr. Bush.

This question was also asked in a nationwide exit poll. In the 26 states — and the District of Columbia — where the second-choice question was not asked, regional estimates of Perot backers' second preferences were applied to see how the independent might have tipped the outcome.

In the nationwide poll, Mr. Clinton's margin over Mr. Bush would have been about the same without Mr. Perot in the contest.

In the actual vote, Mr. Clinton won 43.7 million popular votes to 38.2 million for Mr. Bush and 19.2 million for Mr. Perot.

According to the Voter Research estimate, without Mr. Perot in the race, Mr. Clinton would have won 51.4 million to 43.6 million for Mr. Bush. Total turnout would have been smaller, because many Perot supporters said they would not have voted if the independent had not run.

Although an analysis of exit polls can help in determining the impact of Mr. Perot on Election Day, it cannot answer questions about Mr. Perot's impact on the overall direction of the campaign. These include whether he helped Mr. Clinton by directing so much of his early fire at the president or whether he helped Mr. Bush by re-entering the contest at a point when Mr. Clinton enjoyed a substantial advantage.

Nor can the polls determine with certainty where his backers would ultimately have landed had Mr. Perot not revived his candidacy in October.

But the analysis does suggest enough Perot voters were opposed to Mr. Bush that without the independent in the race, Mr. Clinton would have secured an absolute majority of both the popular and the electoral vote.

HOTEL METROPOLE GENEVE
Since 1854
A PRIVILEGED PLACE!
The only Grand Hotel located in the heart of Geneva's business and shopping center. Air conditioned.
34, quai General-Guisan
1211 Geneva 3
Tel: (41-22) 311 13 44
Telex: 421550 - Fax: 311 51 50

FORMULA ONE
FORGETTABLE
EXPERIENCE

THE NEW VOLVO 850

Volvo offers a wide selection of quality vehicles at favourable tax-free prices. The new and exciting Volvo 850 gives you four world firsts, a new dimension in car safety and a state of the art powertrain for comfort, superb driving pleasure and outstanding performance.

Enjoy the pleasure of driving a different kind of Volvo with the quality and the legendary commitment to safety and environmental care that only a Volvo can bring you.

More Volvo. Less Money. Tax-free! The winning Formula for your best, tax-free buy.

Leave all the hassle and paperwork to us. Choose one of several European delivery points. Take advantage of the Volvo Assistance European Scheme and the Volvo Home Shipments Program.

Volvo

Marlboro

OPINION

INTERNATIONAL Herald Tribune

Bush Lost His Compass

Angry Republicans point fingers in every direction to account for President Bush's defeat. Some blame an unfortunate turn in the business cycle from which no president could have escaped. Others blame bad advice from passive economic strategists, the nasty convention in Houston, his unaccountably late and lame campaign. All true, but the main reason for George Bush's precipitous fall from political grace was George Bush himself.

The Budget Rules Work

The clearest expression of President-elect Bill Clinton's intentions toward the economy next year will not be the particular changes he proposes in federal taxes and spending, but their combined effect on the deficit — the approach he takes to the budget rules. The governor indicated during the campaign that he would try to stimulate the economy. But the budget rules, aimed as they are at holding down the deficit, basically say that he cannot apply traditional fiscal stimulus beyond what the budget already implies without declaring an emergency.

Lessons in Clintonese

The election of a new president often raises instant, nonpartisan questions of terminology. If a president's name is too long (Roosevelt, Eisenhower) to fit comfortably in a headline, copy editors embrace initials (FDR) or nicknames (Duke).

France Is Fueling a Phony Trade Dispute

By Jim Hoagland

WASHINGTON — Trade wars are preferable to the shooting kind. But the looming \$1 billion misunderstanding over U.S. soybeans and French Chablis is a particularly senseless conflict. It has little to do with trade and everything to do with politics and hidden agendas in Europe.

WASHINGTON — Trade wars are preferable to the shooting kind. But the looming \$1 billion misunderstanding over U.S. soybeans and French Chablis is a particularly senseless conflict. It has little to do with trade and everything to do with politics and hidden agendas in Europe.

Clinton Should Play Hardball in the Transition Game

By Leslie H. Gelb

NEW YORK — Republicans are already undermining Bill Clinton with foreign diplomats and businessmen — just as they did to Jimmy Carter, with crippling effect, after the Nixon-Ford administration.

Clinton should play hardball in the transition game. He must send out the word that he knows who they are — and that he will settle accounts soon. Republicans have played the game just that hard in past transitions. Democrats should do no less. It is the only way to survive and govern in Washington. It is also the best way to let foreigners know that they, too, will pay for gratuitous opposition and personal attacks.

Now for the Confidence-Building Part

By Anthony Lewis

NEW YORK — "In victory, magnanimity." So Winston Churchill advised. But for Bill Clinton it will have to be watchful magnanimity. Anyone who thinks the gracious concession speeches on election night presaged an Era of Good Feeling for the Clinton presidency — a suspension of partisanship — has a short memory. To win, Mr. Clinton had to survive an exceptionally vicious campaign against him. Republicans, embittered and divided, are not going to be kind and gentle to the Clinton administration.

in the last month of a presidential race to flood the voters with propaganda. Careful legislation could persuade the Supreme Court to think again about its 1976 decision that limits on political spending violate constitutional guarantees of free speech.

Thus George Bush's America Passes Into History

By William Pfaff

PARIS — In the 1920s, one of my parents, Catherine Burke, wrote a charming and much-anthologized story about a Boy Scout who kept home from the Memorial Day parade to look after an elderly neighbor. The neighbor proves to have been a drummer present at Gettysburg when Lincoln gave his great address, and he gives the Scout a button from Lincoln's coat which the president had given to him.

History has simply closed a door. Their new country possesses novel integrative forces, but these chiefly are those of popular communication and entertainment, rather than of instruction, or felt family or community continuities. Those are mostly lost. The danger is that with them the country has lost its dynamic center, its integrative culture and tradition.

The Camps Thrive on The Silence

By Flora Lewis

PARIS — There is a peculiar repetition, and evasion, in attempts to report on prison camps — really concentration camps — in Bosnia. Former Prime Minister Tadeusz Mazowiecki of Poland, who went to investigate for the United Nations, said: "I don't have words to describe it, it is too horrible."

That happened before, though most people didn't know. Now we know, and can't bear to face it. The United Nations reports that of 8,000 Bosnians who survived Serbian camps, over 6,000 remain imprisoned because they have nowhere to go. The failure says they will be released on delivery of a foreign visa, but less than a thousand visas have been issued.

That is all the more reason for Jewish groups to take the initiative, to show that concentration camps prove the solidarity of victims of persecution. The moral duty is general, but refusal to shrink it and to be indifferent comes especially appropriately from the representatives of Jewry.

So far, according to Stephen Kinzer of The New York Times, Norway has accepted 92, Switzerland 208, Finland 73. The United States has agreed to take 300 with their families, and Belgium, Italy, New Zealand and the Netherlands 600.

1892: One Lost Vote. NEW YORK — The polls have closed. The weather has been fine all day [Nov. 8], and an unusually heavy vote has been polled. In some districts three-fourths of the registered voters cast their ballots before noon.

1917: Petrograd Coup. PETROGRAD — The capital is in the hands of the Maximilists or Lomites, and M. Kerensky, the Premier, has been deposed, a laconic despatch said yesterday [Nov. 8]. The success of the extremist coup, arranged by Lenin and Trotsky, was evident from earlier despatches announcing the seizure of government buildings and the taking over of the telegraph service by the rebel faction.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINCOR, Executive Editor • WALTER WELLS, News Editor • SAMUEL A. B. KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIKTZ, Associate Editor ROBERT I. DONAHUE, Editor of the Editorial Pages • REGINALD DALE, Executive and Financial Editor RENE BONDY, Deputy Publisher • RICHARD H. MORGAN, Associate Publisher JUANITA I. CASPARI, Advertising Sales Director • ROBERT FARRÉ, Circulation Director, Europe International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46-37-93-00. Telex: Circulation, 612832; Production, 630698. Director de la Publication: Richard D. Simmons Chairman from 1958 to 1982: John Hays Whitney Editor for Asia: Michael Richardson, 5 Canneyway Rd., Singapore 0511. Tel. 472-7768. Telex R5592H. Hong Kong: Dir. Asia, Rolf D. Krumpal, 50 Gloucester Rd., Hong Kong, Tel. 8910416. Telex: 61170 Mux. Dir. U.K., Gary Thorne, 63 Long Acrc, London WC2. Tel. R36-4802. Telex 262009 Gen. Mgr. Germany: W. Lammach, Friedrichstr. 15, 10001 Frankfurt, Tel. (069) 726753. Telex 416721 Pres. U.S.: Michael Caspari, 350 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3900. Telex 427175 S.A. un capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337 © 1992, International Herald Tribune. All rights reserved. ISSN: 0294-0022

Bill Clinton and Al Gore now have another country to deal with. assimilation, producing young Americans according to the dominant model. And of course assimilation, "Americanization," was what every immigrant child and parent wanted. But it was a white America without doubts. Even the Great Depression had only produced populists, "bonus marchers," union organizers and New Deal voters, rather than revolutionaries. There was at the same time nothing resembling the blinding displays of flags and martial music, the incessant patriotic proclamation and invocation of God to the Republic, that marked this year's presidential campaign. Nobody then had any doubt about their patriotism, or about the values of the country. The United States in which Bill Clinton came of age was by contrast one of the deepest doubts: about a particular war, and foreign relationships and threats in general; about

1942: To Rescue Africa WASHINGTON — [From our New York edition:] President Roosevelt has explained to Marshal Philippe Petain why American armed forces invaded French North Africa, saying Germany and Italy, "with their rich French possessions, to 'exceed their sphere of domination over the whole of that continent.' Such action would constitute for all the American Republics the gravest menace, and would speed the death knell of the French empire."

U.S. Seeks to Funnel Aid to Bosnians Through Belgrade

By Michael R. Gordon
New York Times Service

WASHINGTON — Even as the United States is assailing the Serbs for killing Bosnian Muslims and driving them from their homes, American officials say they are seeking Serbian cooperation in making Belgrade a hub for relief to Bosnia.

Under an American plan to aid thousands of Bosnians suffering from hunger and exposure, the Pentagon would station military personnel in the Serbian capital to speed truck deliveries of aid to beleaguered Muslims in Sarajevo.

The plan would represent a major change in Western aid. Until now, the West has been relying almost entirely on land corridors from Croatia and relief flights to Sarajevo. But fighting along the road from Croatia has endangered these shipments, and less than half of what the United Nations says is needed is being delivered in these ways.

There has also been a trickle of aid recently via the Belgrade-Sarajevo land route. Administration officials said a message was sent to Cyrus R. Vance and Lord Owen, the United Nations and European peace envoys, asking them to seek Serbian backing for the plan.

The plan has become the focus of debate among specialists in Washington and Europe. Senior administration officials argue that the new route is vitally needed to improve the delivery of aid to Bosnia, where, according to CIA estimates, more than 100,000 people may die from hunger and exposure.

A senior American official said: "The rationale is pretty simple. It is an important road to a part of Bosnia that desperately needs humanitarian relief. It is an opportunity for the U.S. to extend resources through the UN in planning for the winter."

But critics say they fear that the arrangements will give the Serbs leverage over the West because the plan requires explicit Serbian cooperation. "It would bring Washington into active cooperation with Serbian leaders that the international community has condemned as the sponsors of the killing in Bosnia," a Western official said. "It is the final stage of the 'well-fed dead' policy that refuses to confront the real issue, Serbian ethnic cleansing."

Jenoune Walker, a former State Department official and a fellow at the Woodrow Wilson International Center for Scholars, added: "It makes the relief effort to some degree hostage to Milosevic. And it would make it harder to take any kind of military action against Serbia if the war should spread to Kosovo or Macedonia. It does tie Clinton's hands. It may be the least bad thing to do, but I do not like it."

The idea of sending aid from Belgrade was suggested by Prime Minister Milan Pantic of Yugoslavia, who offered Serbian trucks and drivers.

To get more assistance to Sarajevo, the United Nations has quietly begun to ship aid from Belgrade, but it says that accounted for less than 15 percent of the supplies to Bosnia in the last week of October.

The American plan would try to transform the route from Belgrade into a bigger relief corridor. Under the plan, the United Nations would manage the shipment of supplies, trying to assure that aid sent through Belgrade was not diverted for Serbia's use.

American military personnel would help unload supplies in Belgrade. Turkish drivers might be recruited to drive the trucks to Sarajevo. British and French peace-force troops might protect the convoys once they entered Bosnia. Financial aid would be solicited from the Saudis, the Germans and the Japanese.

A senior administration official argued that the plan would not make the West unduly dependent on Serbian cooperation since Western nations would continue to send aid from Croatia by land and air.

But some experts question this, saying there are not enough peace-keeping troops to protect all the routes and that the Belgrade route is essentially a substitute for the other land routes.

If the Serbs agree, a big question is whether the Bosnian Muslims will accept aid channeled through their enemies in Serbia. Bosnians recently turned away blankets that were made in Serbia.

3 Killed on Afghan Border

MOSCOW — Three Russian border guards were killed and four were wounded while trying to detain intruders crossing illegally from Afghanistan into Tajikistan, the Itar-Tass press agency reported Sunday.



An elderly refugee arguing with Bosnian military policemen who stopped a convoy of trucks carrying Croats out of Sarajevo.

Battles Rage Around Airport

Relief Flights Delayed, and Troops Block Refugees' Exit

The Associated Press
SARAJEVO, Bosnia-Herzegovina — Relief flights into Sarajevo were delayed Sunday as heavy fighting raged around the airport. UN officials in Bosnia said.

The head of the local Red Cross, meanwhile, asked the International Committee of the Red Cross to use its influence to persuade UN Protection Forces in Sarajevo to escort more than 6,000 people to safety.

Apart from the western suburbs near the airport, the Bosnian capital was relatively quiet, with only occasional small-arms or mortar fire echoing off the hills.

Government radio reported that Bosnia's heaviest fighting was again at Olovo and Maglaj, towns north-northwest of Sarajevo. Heavy renewed fighting was also reported in Mostar and Capljina, in predominantly Croatian areas of western Herzegovina.

A 10-truck aid convoy organized by the UN High Commissioner for Refugees, which had been headed to Sarajevo, was stopped near Mostar by fighting, a UN official in the Croatian port of Split said. Sarajevo was without water and electricity for a third straight day

Sunday, and pressure was building among the people to flee. On Saturday, ethnic Croats frustrated by repeated delays of an evacuation convoy tried to walk out of the city, but they were turned back by armed guards.

Bosnian officials said a Serbian commander had threatened to destroy the city unless the government allowed ethnic Serbs to leave immediately for Belgrade. Serbs denied issuing an ultimatum.

The frustration mounted after the cancellation of convoys for more than 6,000 people to Serbia and Croatia. The convoys have been canceled and reorganized repeatedly over the past two months.

The army, which originally approved the convoy effort, feared that some of about 500 to 600 men between 18 and 60 were eligible fighters and blocked their departure. Red Cross organizers said.

Agreement was reached over the weekend, however, to resume the convoys this week. The army said all women and children, as well as boys up to 18 and men over 60, could leave as planned. But men 18 to 60 must obtain medical certifi-

Evidence of Atrocities

The United States has given the United Nations new information about atrocities in the Balkans that included witness accounts of mass killing and torture of prisoners, forcible expulsion and other mistreatment. The Washington Post reported from Washington over the weekend.

A 20-page document, based largely on interviews by U.S. diplomats in areas of the old Yugoslav federation shattered by civil war, was the third report that the State Department has made to a UN commission charged with investigating war crimes in the Balkans. U.S. officials have said they hope the information eventually will be used to prosecute those who committed atrocities.

"The examples include abuses committed by all sides in the region," said the State Department spokesman, Richard A. Boucher. "We believe, however, that by far the largest number of offenses have been committed by Bosnian Serbs."

Alexander Dubcek Is Dead at 70, Prague Spring Hero Won in End

By Mary Battiata
Washington Post Service

BRATISLAVA, Czechoslovakia — Alexander Dubcek, the Czechoslovak Communist leader whose 1968 efforts to introduce "socialism with a human face" were crushed by a Soviet invasion, has died in Prague. He was 70 years old.

Mr. Dubcek, who suffered multiple injuries in a car accident on Sept. 1 near Prague, died Saturday of "failure of vital organs," according to the state press agency CSTK.

Mr. Dubcek was a beloved figure to many Czechs and Slovaks for his role in the brief period known as the Prague Spring. The Soviet invasion in August 1968 forced Mr. Dubcek from office, and to Moscow in chains. He returned home, but suffered more than 20 years of ostracism and public disgrace at the hands of the Communist hardliners who succeeded him. Soviet troops remained in Czechoslovakia for the next 23 years.

Mr. Dubcek, however, lived long enough to see his tormenters overthrown during the "Velvet Revolution" of November 1989. The fall of communism also marked his return to political life, and he played a highly visible, if not decisive, role

in the street demonstrations and tense negotiations that ended four decades of Communist rule.

Crowds that gathered at Wenceslas Square in Prague in those tumultuous weeks looked up to a balcony one cold evening to see Mr. Dubcek dance a jig with soon-to-be President Vaclav Havel as the nation's hard-line Communist rulers agreed to surrender power.

After the fall of communism, Mr. Dubcek served two years as chairman of the democratically elected federal parliament. Despite the poor showing of his Slovak Social Democratic Party in June elections this year, he remained an influential figure at home and abroad.

He had been mentioned as a possible candidate for the presidency of the independent Slovak state that probably will come into existence in January.

Since 1989, Mr. Dubcek had been criticized by rightist anti-Communists for failing to stand up to the Soviet invasion two decades ago, and for what some said was his less-than-forceful stewardship of the federal parliament in recent times. But Mr. Dubcek was respected by many others as a stabilizing force during the often chaotic

first two years of democratic rule.

Mr. Dubcek was born in rural eastern Czechoslovakia in 1921 and spent 13 years in the Soviet Union, where his parents had moved to work as teachers.

When his family returned to Czechoslovakia, Mr. Dubcek was apprenticed as a locksmith and joined the Slovak Communist Party in 1939. He spent three years as an adult student at the Soviet Party School in Moscow, graduating with honors. In World War II, he worked in a munitions factory and joined in a Slovak uprising against the Germans and Slovakia's wartime Nazi-puppet government.

He rose steadily through the ranks of the Slovak and Czechoslovak Communist Party in the 1960s, part of a group of reformers who had Soviet blessings for their efforts to oust the hard-line president and party leader, Antonin Novotny, a Stalinist who had resisted Moscow's attempts to put the Stalinist period behind it.

While professing his commitment to Marxism and the leading role of the Communist Party, Mr. Dubcek at the same time presided over far-reaching changes that came to be known as "socialism with a human face."



Alexander Dubcek, after his return to political life in 1989.

European elegance in the heart of Taipei



The Hotel Royal Taipei Contemporary refinement and sophistication that's reminiscent of Old World charms. Along with uniquely personalized service that helps make a stay memorable. Experience it.

h tel royal taipei
37, 1, Section 2, Chung Shan North Road, Taipei, Taiwan
Tel: 2-542-1206, Int'l: 2-542-4287

nikko hotels international
For reservations, call your travel agent, the nearest IRI office, Japan Airlines office or Nikko Hotels International
Toll free in U.K. 0800-232502
Toll free in France 05-02-30-09
Toll free in Germany 0150-9197
Toll free in U.S. and Canada 1-800-NIKKO-US (645-5687)
Hong Kong 7384321
Tokyo 03-6441-4321

UNIVERSITY DEGREE
BACHELORS • MASTERS • DOCTORATE
For Work, Life and Academic Experience • No Classroom Attendance Required
(310) 471-0306
FAX: (310) 471-6456
Call or write for information or send detailed resume for Free Evaluation
Pacific Western University
600 N. Sepulveda Blvd. Dept 23
Los Angeles, CA 90049



Each year we fly more people than the largest airlines of Great Britain, Germany and France...combined. Perhaps one reason is the remarkable service our passengers enjoy. Come Experience Travel That's Anything But Ordinary.



DELTA AIRLINES
We Love to Fly And It Shows

TRAIN: In Europe, Mixed Model

(Continued from page 1)

sional training, technological research and development, and the coordinated establishment of ambitious public targets in areas like transport, the environment and telecommunications, combined with fiscal incentives and other measures to encourage industries in these sectors to invest.

What seems to have been widely recognized in Europe is that industrial policy has a role to play in setting broad guidelines, in mod-

ernizing core industries and in financing certain long-term projects of special public interest, but that it should not get involved in bailing out losers.

It is also clear that Europe has rejected the model of Japan's Ministry of International Trade and Industry, which sets targets for certain key sectors. Thus there has been no centrally coordinated attempt to streamline the troubled auto or computer sectors by forcing mergers that would probably make sound business sense.

As a whole, the current policies are described as "horizontal," to distinguish them from the old "vertical" practice of pouring money into one particular industrial sector.

U.S. Investigates Slaying of Jewish Scholar in N.Y.

New York Times Service
NEW YORK — The federal investigation into the 1991 slaying of a Hasidic scholar in the New York borough of Brooklyn will be handled by a veteran civil-rights prosecutor from Washington.

The Justice Department prosecutor, Jonathan Wroblewski, began meeting last week with lawyers from the offices of U.S. Attorney Andrew J. Maloney and the Brooklyn district attorney in the joint investigation into the death of Yankel Rosenbaum, officials said.

Lemrick Nelson Jr., 17, was acquitted Oct. 29 of murder and manslaughter charges in Mr. Rosenbaum's death.

Having begun as separate developments in different countries, each with a different standard, the network is now being standardized and extended across borders. Smaller countries, like Belgium, get hundreds of millions of dollars from the Community's \$85.8 billion annual budget to build their sections of a project that would otherwise be financially impossible for them.

European industry will clearly benefit both directly from the construction and later from the network that will result, said Jean Hourcade, an official overseeing the project at the EC Commission.



WHEN THE AIRPORT IS PREPARING FOR A FLIGHT TAKES ON A WHOLE NEW PERSPECTIVE.



EXPERIENCE THE DIFFERENCE
333 Chao Wuchakul Road, Don Mueang, Bangkok 10210, Thailand.
Tel: (66) 266-1122, 266-1123, 266-1124, 266-1125, 266-1126, 266-1127, 266-1128, 266-1129.
Reservations: (573) office worldwide, (573) 241-1212.
Amari Hotels and Resorts - Bangkok Airport - Bangkok - Chiang Mai - Pattaya - Samsat - Phuket



Vernon E. Jordan, chairman of President-elect Bill Clinton's transition team, Sunday in Washington.

CLINTON: Economic Panel

(Continued from page 1)

orders that will carry out some of his many campaign promises.

Several federal policies can be immediately altered, and Mr. Jordan singled out two on Sunday that relate to abortion. He indicated that Mr. Clinton would reverse the policy of President George Bush barring all personnel, except doctors, at federally funded family planning clinics from giving advice to patients about abortion.

Meanwhile, the speaker of the House, Thomas S. Foley of Washington, predicted that the new Congress, still controlled by Democrats, would quickly pass a range of bills Mr. Bush recently vetoed but that Mr. Clinton would sign — requiring employers to provide unpaid leave to workers in medical emergencies or for the death of a close relative, revising campaign laws to further limit spending on congressional races.

Senator Bob Dole of Kansas, the Senate Republican leader, said again Sunday that he was prepared to rally party members against legislation he views as harmful.

REACTORS: West Must Pay for Safer Nuclear Reactors, Russia Says

(Continued from page 1)

pressurized-water reactors similar in principle to most U.S. types. American experts say they believe that although some of the older pressurized-water reactors can be made reasonably safe, all 15 of the Chernobyl-type reactors, called RBMKs, should be scrapped without delay.

The RBMKs are seen as threats not only to their operating crews and nearby communities, but also to much of Western Europe. Millions of Europeans were exposed to fallout from the Chernobyl disaster, possibly suffering long-term health effects, and many Western experts say they believe that it could happen again.

Moreover, the future of nuclear energy itself could be at stake.

"All of us here are acutely aware that another serious nuclear accident could doom nuclear power everywhere, with immense economic consequences for many nations," said Dr. James Guppy of Brookhaven National Laboratory in New York.

Realizing that it is unrealistic to expect the RBMKs to be shut in the near future, organizers called the meeting last week to review Russian documentation that significant steps have been taken or are planned by Russian administrators to make the reactors safer.

energy Agency nor the experts it invited to the meeting have regulatory authority over the Russian reactors, their opinions carry weight with international lending agencies from which the Commonwealth of Independent States is seeking assistance. Some of these agencies insist on enhancement of nuclear power plant safety as a condition for granting credit to the commonwealth.

Western experts who spent the week reviewing Russian technical reports and data were impressed by the scope of measures adopted or in progress to improve the safety of RBMKs.

The consensus of Western experts was that the RBMK (an acronym in Russian for "Reactor, Big Power, Channel Type") has inherent design flaws and probably never can be made as safe as the best Western reactors.

The Russians sharply disagreed. The newest and safest versions of the RBMK are on a par with the most reliable reactors in the West, they said, and have some significant advantages over Western counterparts.

STALIN: A U.S. View

(Continued from page 1)

right" coalition as a danger to Russia's nascent democracy.

But the hard-liners, after promising to mobilize 100,000 people, appeared to demonstrate more weakness than popularity with their turnout.

Still, the rally showed that some Russians continue to feel nostalgia for the dictator portrayed by Mr. Duvall as a paranoid, sadistic gangster.

General Dmitri Volkogonov, a Yeltsin adviser and historian of Stalin's era who served as consultant to HBO, noted that Stalin's

physical death was irreversible, but that his political death was "agonizingly slow."

"And his historic death, unfortunately, will never be, because he will be in our memory forever," General Volkogonov said.

Taking note of the anniversary, the general added: "We are still living in the ruins of the terrible experiment that started 75 years ago. And the greatest riddle remains how it could happen, how such a thing was possible."

The film does not try to provide a definitive answer to that question, instead focusing on the dictator's relationship with his wife, Nadya, whom he probably drove to suicide, and his suspicious and eventual murder of most of his close associates. Some Russians in the audience accused the movie of therefore "trivializing" Stalin's crimes, but Mr. Carliner said the filmmakers had deliberately used his personal life as a metaphor for his crimes.

The producer said that what he did to Nadya "is what he did to the Russian people."

"We have had 40 years' experience with these reactors," said Dr. Eugene O. Adamov, who, as chairman of Russia's Research and Development Institute of Power Engineering, is his country's top nuclear power official.

"Like your Western reactors," he said, "our oldest ones are the least safe. But development is an evolutionary process, and our newest RBMK designs, we believe, are the safest and best reactors in the world. We certainly intend to pursue RBMK development."

The Ukrainian parliament, however, has ruled that next year at the latest, the functioning reactors at Chernobyl must be shut, along with Chernobyl's Unit 4, which has been buried in concrete since it blew up in 1986, and Unit 2, which closed last year after a very dangerous fire.

BERLIN: Anarchists Drown Out Plea for Tolerance

(Continued from page 1)

whose anti-authority displays of street theater and occasional violence are a commonplace in the new German capital.

For years before the fall of the Berlin Wall, West Berlin was a magnet for young men who wanted to avoid military service and for young people who took advantage of subsidies and the city's tolerance of political and social extremism.

Germany's domestic intelligence agency had warned that the anarchists, known as *autonomous*, were planning to disrupt the rally. But the police concentrated their efforts on preventing confrontation between neo-Nazis and the thousands of young people, families and others who traveled by chartered buses and trains to the rally.

Bernad Manthey, commander of

AMERICAN TOPICS

Drinking Antifreeze Killed Rare Condor

An autopsy shows that the death a month ago of a rare California condor was caused by its drinking antifreeze that probably leaked from a parked vehicle, the U.S. Fish and Wildlife Service says. The 15-month-old male was found dead of kidney failure on a rocky ledge in Southern California's Angeles National Forest. Officials said the bird apparently came across a puddle of antifreeze and was attracted by the sweet flavor of ethylene glycol, one of the main ingredients.

Biologists had set the bird and a female companion free Jan. 14 as part of a plan to reintroduce California condors to the wild. The female remains free and will be joined by six more condors to be released into the wild in December. Only 63 California condors exist, all but one in zoos.

Short Takes

Mayor David N. Dinkins is trying to establish a residency requirement for New York policemen, who are not required to live within the city limits.

This inspired a letter to The New York Times from a retired Police Department employee, Joe Lisi, who wrote, "Why not make it mandatory for all city employees?" He added, "If the rationale of residency requirements is to have the cops closer to the people they serve, doesn't this apply to teachers, firefighters, sanitation workers and the like?" If that happened, "the tax base would grow and neighborhoods would improve."

When ordering takeout food, experts suggest using common sense: delivered food is seldom as good as restaurant food, simpler foods like plain tandoori chicken travel better than those in heavy sauces, which can con-

geal, and crisp deep-fried foods often become soggy in the container.

About People

The Oakland (California) Tribune is no longer black-owned. But it now has become the first major U.S. daily to have a black woman as editor. The financially troubled Tribune's black publisher, Robert C. Maynard, sold it Oct. 15 to the Alameda Newspaper Group, which also owns four small suburban dailies near Oakland. That group has appointed Pearl Stewart as editor. Ms. Stewart, 41, has had 15 years of reporting experience in and around Oakland. The paper has a circulation of 121,000, mostly among Oakland's majority black population.

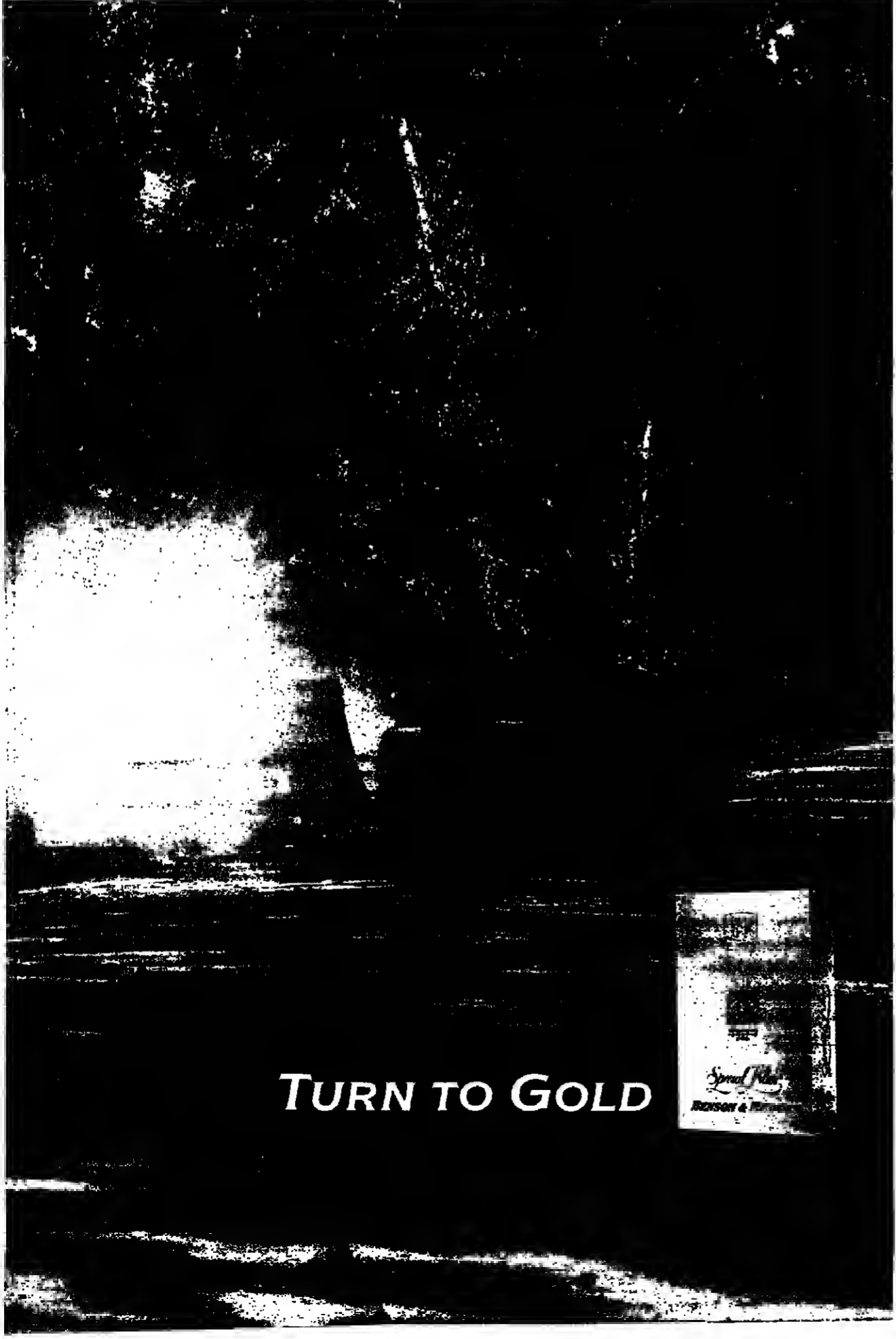
The house in the Chicago suburb of Oak Park where Ernest Hemingway was born and lived for six years is being turned into a museum. The Ernest Hemingway Foundation recently bought the house for \$275,000 and plans extensive restorations to make it look as it did when Mr. Hemingway was growing up there around the turn of the century. Oak Park is best known for its Frank Lloyd Wright houses. But the Hemingway home is a Queen Anne-style dwelling built in the 1880s by Mr. Hemingway's grandparents.

Laura Ingalls Wilder, who died in 1957 at the age of 90, did not start writing "The Little House on the Prairie" and the other Little House books until she was 65. She wrote at the urging of her daughter, and speculation persists that the daughter did much of the writing.

One scholar has turned up a mother to daughter letter saying, "Change the beginning if you want. Do anything you please, with the damn stuff if you will fix it up."

Notre Dame's football coach, Lou Holtz, says of the expectations of Fighting Irish fans, "They expect major miracles every Saturday and major miracles now and then."

Arthur Higbee



TURN TO GOLD

GATT: Some Are Hopeful on Talks, but France Urges European 'Hit List'

(Continued from page 1)

trade representative, said the United States was also ready to talk.

At their regular monthly meeting in Brussels on Monday, EC foreign ministers are expected to endorse their trade colleagues' call for a quick return to the bargaining table after the collapse of farm subsidy talks in Chicago last week.

Mr. Andriessen, the EC's commissioner of external relations, insisted after the weekend meeting that all was not lost.

"I remain optimistic for two reasons," he said. "Firstly, because I think the difference in views, although not insubstantial, could be bridged. Secondly, because we are not entitled, neither the Community nor the United States, to make a failure of the GATT Uruguay Round."

He said, however, that both the Community and the United States would have to give ground in the talks, which broke down Tuesday in Chicago. France, the biggest farm producer in Europe and most reluctant to cut subsidies, has stood in the way of a joint EC negotiating position with the United States.

On Thursday, the United States announced punitive trade sanctions that would triple the cost of some EC goods, effective Dec. 6, threatening to escalate the dispute into a full-scale trade war.

Robert Reich, a Harvard University economist who has advised Mr. Clinton in the past, said Sunday that a trade war would be "extraordinarily bad, extraordinarily dangerous."

"Every advanced nation has a tremendous stake in avoiding a

trade war," he said. "That's why I don't believe it will happen."

Mr. Clinton himself has avoided any comment on the trade situation but said last week that he was keeping abreast of developments.

France, meanwhile, insisted Sunday that the Community should begin preparing retaliation.

Tomorrow, France is going to ask the Brussels commission to draw up, on behalf of the 12, the list of possible counter-sanctions while hoping of course that we will not have to use them," said Mr. Strauss-Kahn, minister of industry and trade, in an interview with the Journal du Dimanche.

Mr. Delors, who has come under fire for his handling of the trade talks, also called for retaliatory sanctions against the United States.

"We must defend the interests of all countries, especially our service industries, farmers and agricultural workers," Mr. Delors said in an interview with The Sunday Times of London.

Mr. Delors has been accused of sabotaging the talks by putting the interests of French farmers before the Community as a whole. Ray MacSharry, the EC farm commissioner, pulled out of negotiations on Thursday, saying Mr. Delors was blocking a deal.

Mr. Andriessen said he was hopeful for a resumption of the negotiations, which broke down last week over an EC refusal to cut back subsidies to oilseeds producers.

(AP, Reuters, AFP)

INTERNATIONAL RECRUITMENT	
You will find below a listing of job positions published last Thursday in the International Herald Tribune under the International Recruitment Feature	
POSITION / LOCATION	COMPANY
PROJECT OFFICER/India	UNICEF (United Nations Children's Fund)
VICE PRESIDENT INFORMATION AND COMMUNICATIONS/Los Angeles	World Vision International
CORPORATE AND PRESS COMMUNICATION/France	Océ Graphics
TWO PROGRAM EXECS/U.S.A.	International Youth Foundation
PROJECT MANAGER/Italy	Rust
EXECUTIVE HOUSEKEEPER/Oman	Private Employer
DISTRIBUTOR/Spain	Industrial Machinery Distribution Company
DISTRICT SALES MANAGER MIDDLE EAST/Munich	Compaq

If you want to receive a copy of the paper, please contact:
The Classified Dept. in Paris: Tel.: (1) 46 37 94 74 - Fax: 46 37 93 70

Bonn to Pay Jews Who Survived Nazis

By David Binder
New York Times Service

WASHINGTON — The government of Germany has quietly signed an agreement to pay millions of dollars to European Jews who survived Nazi persecution but were never compensated or received minimal compensation.

The agreement between the German Finance Ministry and the Conference on Jewish Material Claims Against Germany was signed last week in Bonn and announced in New York by Rabbi Israel Miller, chairman of the conference.

The accord was completed at a time when Germany has been swept by radical-right political demonstrations and actions against foreigners and Jews.

The agreement "will make it possible for some of the most severely persecuted victims of Nazism — almost all of them elderly and needy — to live out their days in dignity and relative financial security," Mr. Miller said.

Compensating Jewish survivors of the Hitler era, in which about 6 million Jews were killed throughout Nazi-occupied Europe, was begun by West Germany in 1952. Billions of dollars were distributed in the form of a lump sum to Israel and to individual survivors. That program expired in 1965.

East Germany, then and later under communist rule, also paid compensation to German Jewish survivors of Nazi persecution living on its territory.

But scores of thousands of Jewish survivors in Eastern Europe and the Soviet Union were unable to file claims with either German government because that was not allowed by communist governments.

Their situation changed in 1989 with the collapse of communist regimes in Eastern Europe. They are the Jews who will be eligible to claim payments under the new agreement, which is an outgrowth of the reunification of Germany two years ago.

The categories for payments include those Jews who were confined in concentration camps for at least six months and those confined in ghettos or forced to live in hiding for at least 18 months.

A spokesman for the World Jewish Congress estimated that individual claimants would receive about 500 German marks (about \$315) a month starting in 1995. A lump sum bridging the period until those payments begin will also be made. In addition, the agreement institutes an \$18 million fund to be distributed to nursing homes for elderly victims of Nazi persecution.

The spokesman estimated that as many as 50,000 European Jews from countries other than Germany would be eligible to file claims.

Elan Steinberg, executive director of the Jewish Congress, which is a member of the claims conference, said the latest agreement came from the original 1952 compensation act by the West German government.

In New Russia, A '69 Crime Could Pay

Reuters

MOSCOW — A former army officer who bungled an assassination attempt against Leonid I. Brezhnev in 1969 is suing the military, which forgot to dismiss him at the time, for 20 years' back pay.

Moscow Radio reported over the weekend that a court would decide on the lawsuit filed by Second Lieutenant Ilyin, who now lives in St. Petersburg.

It said the lieutenant, whose first name was not given, was certified insane and committed to a mental hospital after opening fire at a motorcade in which he believed Mr. Brezhnev to be traveling in January 1969. Disguised and armed, the officer took up position near a Kremlin gate as a convoy of limousines emerged.

The driver of one car was killed and a motorcycle rider wounded, but Mr. Brezhnev was not in the motorcade. Lieutenant Ilyin underwent 18 years of psychiatric treatment in Kazan, and was moved to what was then Leningrad, where he was released. He was absolved of legal liability for the attack.

"The Soviet Army completely forgot about its second lieutenant and discharged him only in March 1990, and Ilyin has brought an action against his own unit in order to claim 20 years' back pay," the radio reported.

POLICY: As an Election Hangover, Clinton Faces Some Neglected Foreign-Policy Problems

(Continued from page 1)

because high-level U.S. pressure, which all the parties need as an excuse for making concessions to one another, has vanished.

At the same time, while the nation was focused on the election, several new problems that were brewing have flared into the open, including a potential trade war with Europe. Mr. Clinton said during the campaign that he favored retaliating against countries that closed their markets to American exports, but he has refrained from commenting on so as not to complicate things further for Mr. Bush.

In addition, the Khmer Rouge are threatening to scuttle the UN election plan in Cambodia, which the Bush team helped to forge; there has been a new surge in Haitian refugees, and the civil war in Angola, which Washington and Moscow helped to settle, has resumed because Jonas Savimbi, who had been supported by the United States, was unhappy that his party lost the recent election.

This is the backdrop against which Mr. Clinton will arrive in Washington. While Mr. Clinton used his first public statement the morning after the election to stress his intention to maintain continuity in American foreign policy, his advisers are beginning to realize that, in several major areas, there may be little continuity to build on. In many areas, they could be plunging into a broken socket.

As a result, it is likely that Mr. Clinton's undefined and untested instincts in foreign policy and crisis management will be challenged as quickly as his well-honed instincts and background in domestic policy, if not sooner.

Lyndon B. Johnson wanted to hold the world at bay until he built the Great Society at home, but his prosecution of the Vietnam War would not let him. Mr. Clinton is not so naive as to think that he can keep the world at bay, aides say, but they insist he can juggle foreign and domestic affairs at the same time. That will depend, however, on the nature of the problems that arise abroad.

"Congress may give Clinton a honeymoon, but the world will not," said Joshua Muravchik, a foreign-policy expert at the American Enterprise Institute, who has written several policy papers for Mr. Clinton.

For now, his advisers say, Mr. Clinton plans to continue the basic approaches of the Bush administration in the Gulf, Arab-Israeli peace talks, Cambodia and in the arms negotiations with Russia.

They say he wants to move away from the Bush policies on China, where he intends to be tougher on Beijing; on Haiti, where he has promised to let in "boat people" seeking political asylum, and on Bosnia-Herzegovina, where he has vowed to do more to protect the

former Yugoslav republic from Serbian forces — if Bosnia still exists by the time he takes office.

Mr. Clinton, they say, also plans a wholesale revamping of the moribund and demoralized Agency for International Development and a transformation of American defense strategy to put greater emphasis on smaller, more mobile forces, and on aiding military industries to make the transition to commercial manufacturing.

Those who have been advising Mr. Clinton on foreign affairs divide his policy in-basket into two categories: urgent and important.

The first urgent matter is to assemble a foreign-policy team that can work together as smoothly as the Bush national security team did, Clinton aides say.

The Clinton advisers include Anthony Lake and Samuel Berger, former advisers to Jimmy Carter; former neo-conservative Reagan Democrats like Richard Schiffrer, Penn Kemble and Mr. Muravchik; young generation Democrats like Nancy Soderberg, on the staff of Senator Edward M. Kennedy, and academic experts like Will Marshall and Michael Mandelbaum.

There are also legislators: Representatives Dave McCurdy of Oklahoma, Lee Hamilton of Indiana and Les Aspin of Wisconsin, and

Senators Bill Bradley of New Jersey and Sam Nunn of Georgia.

There are also retired military men, like Admiral William J. Crowe Jr., and diplomats, like Morton Abramowitz.

Forging a coherent team from this group and others will not be as easy as it might look. There are pro-Israelis and pro-Palestinians, former hawks and former doves, and all sorts of other strands. Virtually none of these Clinton foreign policy advisers have worked together in government before. In addition, they will be asked to wrestle with post-Cold-War issues that few of them, or anyone else for that matter, have any experience in dealing with or any hard consensus on how to address.

Once he has a team in place, Mr. Clinton's first task will be to deal with the disquiet among longtime American friends or important powers, from Saudi Arabia and Syria to China and Russia, who have been rattled by the downfall of the Bush administration, with which they had worked closely.

"This has been the first change in party in 12 years," a Clinton foreign policy adviser said, "and we will have to move quickly to let everyone know that in most areas there will be continuity, and where there will be change there will be prior consultations."

Another urgent priority for Mr. Clinton in foreign policy will be dealing with the U.S. economy, say Clinton aides. Their reasoning is that without some serious and successful effort to address domestic problems, there will be no consensus for Mr. Clinton to be actively engaged abroad, nor will he have the economic resources with which to influence events.

In the basket labeled "important" will be a variety of negotiations that the Clinton administration will inherit. The follow-on agreement to the Strategic Arms Reduction Treaty, which was negotiated by Mr. Bush and President Boris N. Yeltsin of Russia last June, is still up in the air as the result of second thoughts the Russians have expressed about certain key provisions relating to the destruction of SS-18 missiles sites.

The Russian military is apparently trying to persuade Mr. Yeltsin to use the recent hiatus in American foreign policy to secure a better deal. Mr. Clinton will insist that the Russians abide by the original agreement, his advisers say.

On the Mideast, the Arab-Israeli negotiations are by no means on a smooth track to resolution. The Syrian-Israeli and Palestinian-Israeli negotiations are basically dead in the water.

Mr. Clinton has promised "continuity" with the Bush administration in pushing for progress in these talks, but says he will have a warmer relationship with Israel. But, by the time he takes over in January his challenge may not be simply maintaining continuity but reviving negotiations in a state of serious decline.

Indeed, Mr. Clinton's mere election will almost certainly invite the Syrians and the Palestinians, even the Israelis, to probe and test the new president.

Mr. Clinton has repeatedly said that he will support the use of limited trade sanctions, if necessary, to persuade the Chinese leadership to ease up on human rights abuses. Congress will not have to take up the question of most-favored-nation trade benefits for China again until June 2.

But any change in the already volatile relations between Washington and Beijing could create a real crisis for the new president, a prospect that clearly alarms Japan and other Asian powers.

On Bosnia, Mr. Clinton has said that he is ready to use force, in conjunction with the United Nations, to get aid to Bosnia this winter; that he wants to tighten the embargo on Serbia, and that he will consider lifting the arms embargo on Bosnia, if Bosnia still exists in any viable form.

Special Honors for Yeltsin in Britain

Reuters
LONDON — The British government has accorded Boris N. Yeltsin two rare honors for his first official visit to Britain.

Mr. Yeltsin, who arrives Monday, will address a joint session of Parliament. Only eight leaders have done so in 25 years, and they were heads of Western allied nations. He will also lunch with Queen Elizabeth II.

"We are doing all this," a British official said, because of a wish to emphasize to the Russian people that "we want to bury the old tensions and welcome the Russians into the world that we inhabit."

"We want to prove that old enemies have become new friends," the official added.

Meanwhile Mikhail S. Gorbachev, the former Soviet president, went to Berlin on Sunday after Russian authorities lifted a ban on his traveling abroad.

The pact is the first between the nations since the 1763 Treaty of Amity and Commerce during the reign of Catherine the Great. The official said it contained strong commitments to Western economic and political values.

Britain agreed earlier this year to set up a hot line between the Kremlin and No. 10 Downing Street.

Mr. Major and Mr. Yeltsin, who have met several times before and are said to have a warm relationship, will also discuss international issues such as the crisis in the former Yugoslavia and the Middle East peace negotiations.

Other topics will be the conflicts in former Soviet republics on the fringes of Russia, arms control and the West's role in disposing of the old Soviet Union's nuclear arsenal.

The government had refused to let Mr. Gorbachev go to Italy last month because of his refusal to testify at Constitutional Court hearings into the banned Communist Party.

"I think that incident was an absurd incident, simply ridiculous, and therefore I don't think it will happen again," Mr. Gorbachev said Sunday.

He then flew out with his wife, Raisa, and daughter, Irina, to Berlin, where he is to be made an honorary citizen. An aide said he was expected to return Tuesday.

There was no immediate explanation from the government for its change of heart.



NOT all OUR GUESTS ARE HERE ON BUSINESS

Our nostalgic garden and inviting hospitality attract visitors who seek a haven from the whirlwinds of Tokyo. Right within reach of the city's central business district, the Takanawa Prince offers a space to relax and rejuvenate. And complete executive services to keep business flying smoothly in the meantime.



Takanawa PRINCE HOTEL

13-1, Takanawa 3-chome, Minato-ku, Tokyo 10A
Tel: 03-3447-1111 Fax: 03-3446-0849 Telex: 242-3232 TAKPRH
Paris 1-45-79-20-45 Frankfurt 069-28-44-27
New York 212-889-5928 Singapore 734-9024

Memories are made of this.

The Olympus SuperZoom 110.

Small, lightweight and fully automatic it can zoom in and capture the moment before it fades from memory.

Which is probably thanks in part to its powerful, built-in 38mm - 110mm zoom lens and 460-step autofocus system for supersharp images. And our exclusive "Thinking Flash System" that lets you set the mood.

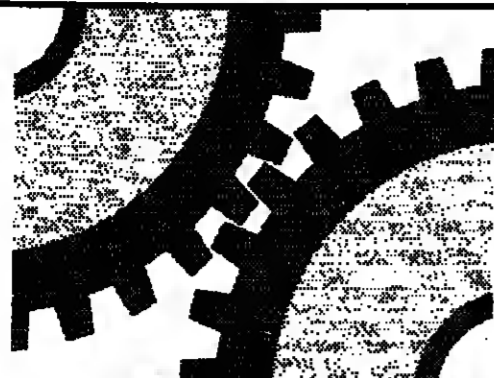
Then, too, because it's weatherproof you can use it anywhere, anytime and not worry about the elements. Or missing that once-in-a-lifetime shot.

The Olympus SuperZoom 110. Remember it, and it will help you remember the rest.

OLYMPUS
OLYMPUS OPTICAL CO. LTD. Tokyo, New York, Hamburg, London



ADVERTISING SECTION



TRADE & INVESTMENT THE TWIN ENGINES OF GROWTH

ELEVENTH IN A SERIES

NORTH AMERICA

Regional Strategy / Hopes of Trade Expansion

As GATT Flounders, NAFTA Steps In

The North American Free Trade Agreement, initiated by Canada, Mexico and the United States on October 7, underscores the new emphasis on a regional economic strategy for the continent. While the immediate effects of NAFTA will not be dramatic, it accelerates economic trends that promise greater prosperity as well as potentially painful adjustments.

With GATT talks floundering, the three North American governments are rushing ahead with the implementation of NAFTA, which is scheduled to come into force in January 1994. Numerous tariffs and other trade and investment barriers will be eliminated immediately, and most remaining impediments are to be phased out over a 10 to 15 year period.

The conditional nature of many NAFTA provisions has led some analysts to comment acidly that a real trade agreement would need only 20 paragraphs, not the 2,000 pages of the NAFTA text.

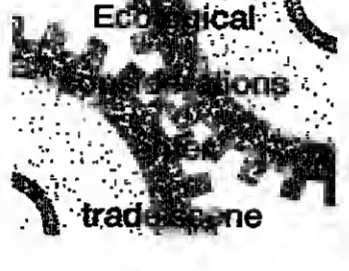
But in the absence of a meaningful GATT accord in the Uruguay Round, some American industries have concluded that NAFTA and tough-minded bilateral bargaining are the best guarantees for expanded trade. U.S. pharmaceutical companies, for example, are unhappy with the minimalist language in the current draft GATT accord, which covers protection of their products from copying piracy. The companies are much more pleased with the agreement in NAFTA on their patent rights in Mexico.

cause Mexico's economy has been more protected in the past. At the same time, U.S. consumers will enjoy a number of benefits, including greater access to and lower prices for many fresh fruits and vegetables from their southern neighbor.

But U.S. workers who lose their jobs because of competition from Mexican imports, or when production is moved to Mexico, will find it more difficult to find jobs in the sectors of the U.S. economy that are benefiting from increased market openness in Mexico, the OTA study predicts. This is because the U.S. workers who may be displaced are those who make standardized commodities such as blue jeans, and lack the skills necessary to make the more sophisticated goods that will enjoy greater demand in Mexico.

U.S. officials have put the number of Americans who could be left unemployed by NAFTA in the 1990s at 150,000, but they say twice as many people could find new jobs created by the pact.

Canada, which tied its economic future more closely to the United States in the U.S./Canada free trade agreement, entered the NAFTA negotiations primarily because it wanted to make sure its interests would be protected in the new accord. Canada's exports to Mexico were less than \$500 million in 1991 (compared to more than \$80 billion in shipments to the United States), though Mexican exports to Canada were much higher, at about \$2 billion. NAFTA can be expected to increase Mexican exports to Canada (and boost competition with Canadian exports in the United States), but Mexico's lower productivity and poorer infrastructure will limit Mexican price advantages.



"Where the action has been is outside GATT," says Harvey Bale, a vice president of the Washington-based Pharmaceutical Manufacturers Association.

For Mexico, NAFTA codifies a policy of trade and investment liberalization that began in the mid-1980s as the government sought a way out of the debt crisis. The country discarded its explicit protectionism and tradition of state ownership of major economic enterprises, and thereby stimulated a boom in imports and investment from the United States and elsewhere. U.S. exports to Mexico have almost tripled in the last five years, and Mexico has enjoyed a doubling in sales to the United States.

NAFTA also symbolizes Mexico's declining fears of U.S. domination. The accord provides a 15-year transition phase for the elimination of tariffs on such crucial Mexican crops as corn, and restrictions are maintained on foreign involvement in the Mexican energy sector.

The Office of Technology Assessment, a research arm of the U.S. Congress, reported recently that in the short term, NAFTA is more likely to increase U.S. exports to Mexico than boost Mexican shipments to the United States, be-

cause Mexico's economy has been more protected in the past. At the same time, U.S. consumers will enjoy a number of benefits, including greater access to and lower prices for many fresh fruits and vegetables from their southern neighbor.

Some experts believe NAFTA could divert a substantial amount of U.S. investment to Mexico over the long term, and that access to a rapidly growing Mexican labor pool could enable U.S. companies to use the threat of relocation to depress wage demands from American workers. In its recommendations to Congress, OTA says there must be a "major reorientation of U.S. industrial development, training and labor market policies" so that U.S. workers can compete on the basis of productivity and flexibility rather than wages. The outcome will also depend on how far Mexico goes in encouraging a broad-based economic development strategy that boosts its workers' skills and wages.

An extensive American industrial policy, though, could have unfortunate consequences for Canadian companies if they are not allowed to participate in research and development programs, and benefit from government aid, warns Peter Morici, a professor of economics at the Univer-



Heavy treaty: Carl A. Hills, U.S. Trade Representative, jokes at the signing last month in San Antonio, Texas of the North American Free Trade Agreement. Behind her are President Carlos Salinas of Mexico, President George Bush of the United States and Prime Minister Brian Mulroney of Canada. Next to her are Mexican Trade Minister Jaime Serra (left) and Canadian Trade Minister Michael Wilson.

ity of Maine. "In the 1990s, the primary challenge for Canada may be to get in on the party," he says.

What will be the role of countries outside this quasi-united North American market? In several sectors, NAFTA requires that there be significant North American "content" to qualify for duty-free treatment — most notably for cars, computers and apparel. While the limitations will be phased out eventually, they will discourage fourth-nation companies that envisioned Mexico, for example, as a low-wage production springboard for the United States.

Environmental concerns have also been raised about NAFTA. Critics fear that more American companies will build factories along the border inside Mexico to escape stringent U.S. environmental regulations and worsen existing pollution problems. Yet the World Wildlife Fund and the National Wildlife Federation, two major environmental

groups, have backed the accord. They say that the limited provisions in the agreement on environmental protection are an important first step (ecological concerns having never been dealt with in a trade treaty before), and that the prosperity generated for Mexico by NAFTA will help pay for the upgrading of the country's environmental standards.

While they acknowledge the virtues of NAFTA, many economists believe that the future of the North American economy will depend on a number of factors — such as exchange rates, and tax and monetary policies — outside the sphere of trade and investment liberalization. "If the three countries wish to turn the process of economic integration into an economic success for the entire North American region, policy consultation in areas beyond trade matters will be in order," asserts Mora Lustig, a senior fellow at the Brookings Institution in Washington.

Steve Dryden

Defense / Coping With Change

Turning to Plowshares Can Be Profitable

As military budgets shrink in the United States and worldwide, the big American defense contractors like Hughes and General Electric, aircraft manufacturers like McDonnell Douglas, and defense electronics firms like Raytheon are developing a variety of strategies to cope with the change. They are acting out of necessity. The Aerospace Industries Association reports that 1992 will see \$3.2 billion more in civil aircraft sales than military sales. The last time this happened was 1979, but this time, says the association spokesperson Alexis Allen, "we think it is indicative of a long-term trend."

"Our primary market sure isn't growing, so we're looking for other opportunities," says Bill Shumann, a spokesperson for GE Aerospace, a giant military contractor with \$5.3 billion in sales last year. His company talks little about what are called defense conversions, the reorienting of military technology and equipment to civilian (or "commercial") applications. At present, he says they are only looking into "adjacent businesses," such as selling ground radars for civilian as well as

with success in Operation Desert Storm. The company's second largest group in sales is its newly enlarged Energy and Environment segment, which reported record sales and robust income growth last year. In electronics, Raytheon is bucking the downward trend in military use. "What people forget about adjacent businesses," observes Mr. Shumann, "is that there are often other competitors there ahead of you."

Another approach is taken by Raytheon, which develops and produces sophisticated electronics systems and components. "The diminishing demand for weapons and war material has caused the arms industry — and regions dependent on it — to rethink their commercial strategy."



recreational marine electronics sector, as well as pursuing air traffic control contracts worldwide. A focused approach has also been taken by Hughes Aircraft, world leader in defense electronics sales. By 1988, the company realized that future military budgets would be shrinking and began to focus on three distinct areas for growth: its traditional electronics business, telecommunications and space, and commercial markets. A new position, senior vice president of diversification, was created to spearhead the company's drive toward business development in nondefense areas.

Robert J. Danakanyin, who holds this office, describes how, in the space area, Hughes has been diversifying for over 15 years. "We started out building spacecraft," he explains. "Then we built the world's first synchronous commu-

nications satellite." One thing led to another and today Hughes is the world's largest private owner and operator of satellites. Hughes quickly recognized how these satellites were being used. They bought a company that became Hughes Network Systems, today the world's

Dennis J. Picard, chairman, and Max Black, president, have declared publicly that they are looking to "expand our diverse and established commercial businesses." The company has no intention of abandoning its traditional military markets, however. Nor should it; the headline-grabbing Patriot missile is one of its star products, as are many other electronics systems used

largest provider of VSATs (very small aperture satellites). Hughes' success is proof that a systematic approach to diversification — along with cutting-edge technology and a good sense of the market — can make conversion not only painless but profitable.

The end of the Cold War has affected not only America's arms industry but also some of the bases abroad where U.S. troops used to be stationed. Some regions have succeeded more than others in making the transition. The 3,000 U.S. soldiers stationed at the Hahn military base in Rheinland-Pfalz, for example, will all be gone by next September. But by May the Hahn airport will already start offering charter services in the civilian sector. By mid-1994 it will add cargo services to complement those of the Frankfurt airport, 50 kilometers away.

Claudia Fiel

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Steve Dryden and Steve Weinstein are freelance journalists based in the United States. • Claudia Fiel is based in Italy. • Timothy Harper, based in Britain, is the author of "Cracking the New European Markets" (John Wiley & Sons, New York). • Raphael Lewis is based in Paris.

SANYO advertisement featuring a CD player, CD discs, and the text 'You're About To Hear The Opening Notes Of A New Digital Age From Sanyo.'

ELOF HANSSON advertisement for 'THE GLOBETRADE' international trading house.

Vertical text on the right edge of the page, including 'ADVERTISING SECTION' and 'U.S. Can Claim Success In Battle For Expo'.

NORTH AMERICA

Trade / Low Dollar Helps

U.S. Can Claim Some Successes In Battle For Exports

The recession may be lingering, but the lower dollar has helped U.S. companies across the board.

According to Holger Engberg, a professor at New York University's Stern School of Business, the overall U.S. trade balance figures only show part of the picture.

Services and investment have mushroomed since the mid-1980s. Lumped together with merchandise trade, they are known as "current account," which in 1991 was a respectable \$8.7 billion.

This comes at a time when U.S. companies can take advantage of the worldwide tendency toward privatizing local industries.

Investing in EC / Growth Potential

A Success Story of Chips and Crackers

Venus Waters and IBM don't have much in common. One is a small Massachusetts-based maker of gourmet crackers.

What the two do have in common is this: both are American companies that rely on sales in Europe.

Europe accounts for about 40 percent of IBM's annual sales, and company officials are blaming a recent slump in Europe for their \$2.78 billion loss in the third quarter.

Brian Dwyer, who was Venus's president when it began exporting to Europe in 1989, has now become a consultant for other American companies selling to Europe.

Most of the companies that expanded are still around today. Many of those that didn't expand no longer exist.

"Too many Americans think selling internationally is sexy in the 1990s," Mr. Dwyer says.

Europe is the largest overseas market for American goods and services, and it's only going to grow.

In addition, there are "European" reasons for selling in Europe, of course: the formal beginning of the European Community's single market on Jan. 1; the expansion of EC membership from 12 nations to 16, 20 or even more countries within the next decade or two.

Of these factors, the most immediate and most concrete is the EC's single market, which already has made considerable impact on the way Americans do business in Europe.

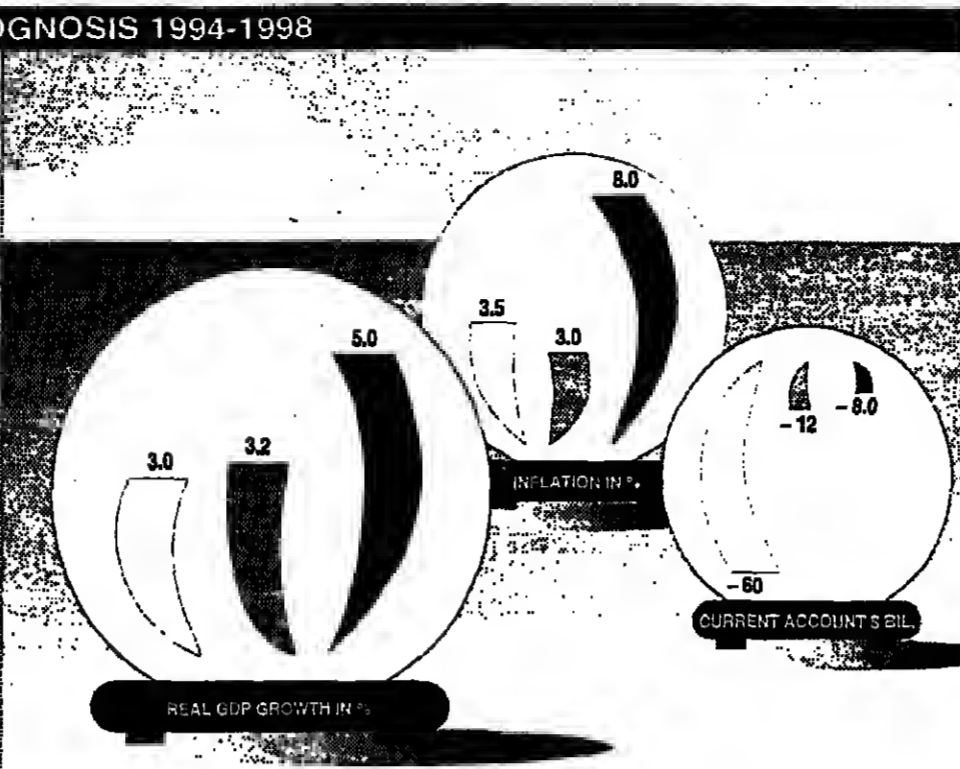
At least in theory, it is: once an American firm is selling legally in one EC country, it can sell legally in all the other EC countries, too.

ECONOMIC PROGNOSIS 1994-1998

THE PROJECTION OF A U.S. CURRENT ACCOUNT DEFICIT OF \$60 BILLION COMPARES WITH A \$92 BILLION FIGURE FOR 1990 (1991 FIGURES WERE DISTORTED BY THE GULF WAR). THIS GIVES REASON FOR OPTIMISM.

UNITED STATES CANADA MEXICO

SOURCE: POLITICAL RISK SERVICES, NOVEMBER 1992



including television programs and movies, computer software and management systems.

"That will control the next 10 years of market trends," Mr. Dahl-Johnson says. "It's wrong to focus on large industrial economies like Japan and Germany."

Mr. Engberg cites office machines and consumer electronics (especially computers and peripherals), chemicals and pharmaceuticals, power-generating equipment and electric machinery, telecommunications and aerospace as particularly strong categories.

Mr. Engberg also notes that certain export markets have shown continued growth, such as to Germany, where U.S. sales have grown from \$9 billion in 1985 to over \$21 billion in 1991.

The one country that most worries

Mr. Engberg is not Japan, which is slowly opening up its trading borders, but its neighbor across the sea.

Last year, the exports to China grew to \$6.3 billion from \$5.8 billion in 1989; but imports skyrocketed, from \$12.9 billion in 1989 to \$20.3 billion in 1991.

An additional problem comes from the fact that small U.S. companies are not poised to take advantage of exports. Despite isolated success stories and an array of government and private initiatives, including state export offices, U.S. Commerce Department programs and AT&T's Export Hotline, which provides information on markets and industries, "most export growth is attributable to corporate systems," according to Mr. Dahl-Johnson.

marketing is quite low among most businesses.

Big marketers like Coca-Cola, IBM and Ford Motor Co. have reported weak earnings overseas. Coca-Cola's third quarter, for example, grew only 3 percent through September, as opposed to normal growth of 8 to 10 percent annually.

General Motors, on the other hand, had an increase in export sales last year of \$1 billion — a bright spot on the automaker's otherwise bleak financial picture.

But the most dramatic example of the biggest potential for exports is Sun Microsystems. The software programmer didn't even exist a decade ago; by 1991, more than half of its \$3.3 billion in sales came from overseas.

Mr. Dahl-Johnson attributes much of the current surge in exports to a worldwide increase in economic consumption — what he calls the "world gross national product."

Post-Election Scene / Creating More Jobs

Clinton's Long Record of Supporting Free Trade

Governor Bill Clinton will enter the White House with little practical experience in international economic policymaking, but he brings with him a resume of academics and business executives who have staked out fairly clear positions on trade and foreign investment issues.

But as the first Democratic president since Jimmy Carter, who presided over the successful completion of the Tokyo Round GATT accord, Mr. Clinton also leads a party strained by debates over how to cope with the rapid globalization of the U.S. economy.

One of the first problems facing the new president will be the possibility of a trans-Atlantic trade war following the apparent breakdown of the Uruguay Round GATT talks.

From the beginning of his campaign, Mr. Clinton maintained a re-

lieves, and it would be counterproductive to limit these movements.

Mr. Clinton has endorsed these themes, and advocated measures that would offer incentives to American companies to keep and create better jobs in the United States.

At the same time, he has supported a renewal and strengthening of the so-called "Super 301" section of U.S. trade law, which provides for retaliation against countries maintaining barriers to American exports.

In early October, Mr. Clinton endorsed the North American Free-Trade Agreement, but said he wanted to negotiate supplemental agreements with Canada and Mexico to help protect the environment and enhance worker standards and safety, as well as provide for further safeguards against surges in imports from Mexico (whether Mexico will go along with Mr. Clinton is unclear).

A key Clinton adviser on NAFTA has been Derek Shearer, a professor at



New direction? Breaking the GATT stalemate and avoiding an escalation of trade conflicts will be urgent priorities for President-elect Bill Clinton next year.

cord of overall support for open trade and investment policies. His advisers on these issues include Robert Reich, a Harvard political economist, who has written that to succeed in the international economy, the United States must focus on improving its citizens' skills and capabilities, and their access to the marketplace.

Occidental College in California. Criticizing those who claim "all we have to do is have free trade and everything will be okay," Mr. Shearer says: "That's simply not the case. The world is much more complicated."

Some observers in Washington predict a struggle in the Clinton Administration between congressional trade militants and Mr. Clinton's more moderate inclinations.

that made Americans approach each European country differently — are disappearing with the coming of the single market. U.S. companies that might have needed 12 subsidiaries to sell in the 12 EC countries might need just one after Jan. 1.

Major automakers such as Ford (31 percent of its sales in Europe) and General Motors (21 percent) are not only selling to Europe, they are becoming more "European" themselves by expanding production in Europe.

Many big companies, particularly IBM, AT&T and others in computers, semiconductor chips and telecommunications, have created strategic alliances with big European rivals to achieve the economy of scale necessary for pan-European operations as

part of global competition with other multinationals.

Europe is also proving profitable for retailers selling American culture, such as The Gap clothing stores, the Blockbuster video rental group, the TG! Friday's restaurant chain, and hundreds of smaller companies marketing other distinctly American products.

When you're a smaller company, it's scary to think about exporting," Mr. Dwyer notes. "We realized this was a big gamble. But with the consumption trends in Europe, it was worth the risk."

Tokyo Takeovers / Change in Strategy

Japanese Investors Become More Choosy

The second half of the 1980s was the golden era for Japanese investments in the United States. Japanese corporations acquired the reputation for being big buyers of U.S. business or of starting up their own facilities from scratch.

By 1990, Japanese investments in the United States amounted to \$81.8 billion, according to the U.S. Department of Commerce, second only to Britain. JETRO, the Japan External Trade Organization, counted 1,433 Japanese-affiliated companies in the United States, of which 54 percent started production after 1987.

But has the new decade signaled the end to this boom? With the global slowdown, can the Japanese continue to invest at such a high rate? At least one expert says that though the bubble may get smaller, it will not deflate.

Mark Lerner, managing partner of Morgen, Evan & Associates, a firm that specializes in deals between U.S. and Japanese corporations, points to a new pattern of Japanese investments in the United States: the move toward smaller, minority stake investments to access selected markets or industries.

"We are seeing a very specialized trend, much more focused on specific technology and distribution systems," says Mr. Lerner. The days of the across-the-board buy-ups and transplants are past.

This new strategy is resulting in different sectors being targeted by Japanese investors. Real estate, notably after the Japanese ran into controversy with such property as Rockefeller Plaza and Pebble Beach Golf course, has fallen out of favor.

In its place, high-tech companies, operating in the field of semiconductors, biotechnology, telecommunica-

tion and fiber optics, are preferred. A recent example is Yamanouchi Pharmaceuticals buying a 29 percent stake in Robert Pharmaceuticals of New Jersey. The other sector of particular interest to the Japanese is the food and beverage industry.

Mr. Lerner suggests that at least in part the funds will come from Japanese-owned companies in the United States that are already making a profit "and that need to do something with the dollars." Otherwise, there are companies in Japan that do not have any debt and are prepared to make investments in the United States.

Japanese companies hope to gain access to technology that they can apply to other products, in part as a reaction to the brewing trans-Pacific patent war. Japan paid \$3.2 billion more in patent fees in 1991 than it was paid, according to the Bank of Japan.

A second aim of these new types of investments is to gain access to U.S. distribution systems for Japanese companies' other products.

Lately, Mr. Lerner points to one other factor that also motivates Japanese investing in the United States: the potential for the U.S. company's products on the Japanese's home turf. This is in part prompted by a need to try to reduce Japan's foreign trade surplus with the United States.

The two-way nature of these arrangements is illustrated by two deals Sanyo made earlier this year. The Japanese company agreed with General Electric of the United States to cooperate in technology, manufacturing and sales, including an arrangement under which GE will produce a line of Sanyo-designed rotary compressors. Secondly, Sanyo has agreed to market telephone-answering equipment from Information Storage Devices of the United States.

Raphael Lewis

FLYING LOBSTERS?



... or tulips, or heads of lettuce? Just a few of the items that move smoothly and speedily each day through cargo facilities at Los Angeles International Airport. In fact, last year alone LAX handled more than 1.2 million tons of cargo moving to and from points around the world, in addition to serving the needs of more than 45 million travelers on 85 airlines.

World class terminal facilities, 2000 daily flights, and service by virtually all major airlines make LAX the wise choice of the smart shipper and savvy traveler.

LAX...GATEWAY TO THE WORLD

One World Way, Los Angeles, CA 90045 310-646-5260

City of Los Angeles Department of Airports

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London. Tel: 322 40 00. Prices may vary according to market conditions and other factors. Nov. 6

Dollar Straights

Table of Dollar Straights bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Governments/Supranationals

Table of Government and Supranational bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Banks & Finance

Table of Banks & Finance bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Global Corporates

Table of Global Corporate bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Dollar Zeros

Table of Dollar Zero bond prices, including columns for Issuer, Maturity, Price, and Yield.

High Yielding Debt

Table of High Yielding Debt bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Floating Rate Notes

Table of Floating Rate Notes bond prices, including columns for Issuer, Maturity, Price, and Yield.

Deutsche Marks

Table of Deutsche Marks bond prices, including columns for Issuer, Maturity, Price, and Yield.

Pounds

Table of Pounds bond prices, including columns for Issuer, Maturity, Price, and Yield.

Yield & Ask

Table of Yield & Ask bond prices, including columns for Issuer, Maturity, Price, and Yield.

Dollars

Table of Dollars bond prices, including columns for Issuer, Maturity, Price, and Yield.

Yield & Ask

Table of Yield & Ask bond prices, including columns for Issuer, Maturity, Price, and Yield.

Yield & Ask

Table of Yield & Ask bond prices, including columns for Issuer, Maturity, Price, and Yield.

Table of New York (NY) bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

MUTUAL FUNDS

Table of Mutual Funds prices, including columns for Fund Name, Price, and Yield.

Table of international bond prices, including columns for Issuer, Coupon, Maturity, Price, and Yield.

Advertisement for CAPITAL MARKET Great of Trade Bonds ATTENTION THE TRADING CURRENCY

CAPITAL MARKETS

Threat of Trade War Adds To Bonds' Attractiveness

By Carl Gewirtz
International Herald Tribune
PARIS — Add to the list of compelling reasons to buy bonds, especially those denominated in U.S. dollars, the threat of a trans-Atlantic trade war.

In Europe, prices are expected to rise as interest rates drop.

It's not easy to figure out who would be the winners and losers from a trade war, it would be a disaster for all economic activity, cautioned David Morrison at Goldman Sachs in London.

Jonathan Hoffman worries that the trade conflict would be a further blow to confidence and contribute to even slower growth prospects than already envisioned for next year.

Bonds already have a lot going for them. In continental Europe, bond prices are expected to rise substantially as interest rates drop.

Dollar bonds are seen benefiting from the expected surge in the currency and the dim worry about inflation pushing up long-term yields.

Given the expected capital gains on European bonds and the dollar's appreciation, the best combination, analysts say, is to buy European paper and hedge the currency exposure into dollars.

French franc bonds remain the favored buy as the potential capital gain is larger than elsewhere. Long-term French government bonds ended the week yielding 74 basis points, or nearly 3/4 percentage point, more than 10-year German government paper.

That is a decline of 12 basis points on the week, and analysts see no reason why the spread should not continue to narrow to the nearly 30 basis points that prevailed early this year.

In all, 8.1 billion francs was raised last week. Issuers included Electricite de France selling 2 billion francs of 5-year notes, the World Bank 1.5 billion francs of 7-year paper, Rhone-Poulenc 1

See BONDS, Page 13

Heavy Bets on Rate Game

By Floyd Norris
New York Times Service
NEW YORK — Rarely have so many bet so much, and with so much borrowed money, as is now being bet on one simple proposition: Short-term interest rates will not rise, or at least will not rise very much.

The public now believes it, but it is not individuals who are doing the bulk of the betting. The big bettors are institutional investors, banks and brokerage houses.

Those who made the bets a couple of years ago have cleaned up, a fact that has enticed many others to follow.

But what will happen if they are wrong, if rates rise significantly? The answer could be a financial debacle. If it happens, it will probably be interpreted as a Wall Street reaction to the Clinton administration.

The game now is simple, at least for big investors. With no money down, you borrow at short-term rates, maybe 3 percent or so, and use the money to buy longer-term securities, paying 5 percent or more.

The brokerage industry, as George Moohan of the Securities Industry Association notes, now has three times the bond inventory it had five years ago.

Banks now have more Treasury and government agency securities than they have business loans outstanding. Hedge funds—the investment vehicles that try to make big killings quickly—are said to own upward of \$100 billion in Treasuries.

Refunding offers hit the bond market. Page 13.

Street have an answer for that. The idea is that they will sell futures contracts, thereby being able to profit from rising short-term rates and offsetting their losses from the original bond investment.

Alternatively, they could dump the longer-term bonds. Both strategies assume willing buyers will be easily found, which might happen only after prices had fallen a long way.

There are a huge number of people on one side of the bet, said Gordon Ringo, a hedge fund manager in San Francisco who is not playing the game.

If they all decide to switch to the other side of the bet, it could get interesting.

Industrialists Press Lamont

They Seek 2-Point Cut in U.K. Interest Rates

Compiled by Our Staff From Despatches
HARROGATE, England — Britain should cut interest rates by a further two points to help dig the ailing economy out of its recession, industrial leaders said on Sunday.

In an opening salvo from the annual Confederation of British Industry conference in Harrogate, northern England, Britain's biggest employers group told Norman Lamont, chancellor of the Exchequer, that he should also boost, or at least maintain, spending on capital projects such as roads and railways.

"We think the case for a further loosening of monetary conditions is very strong," said Howard Davies, the Confederation's general secretary.

Independent economists said financial markets were braced for a cut in 8 percent clearing bank base lending rates, possibly as early as Monday and at least by Thursday.

The confederation welcomed the new go-for-growth stance that Prime Minister John Major's government has adopted since it withdrew sterling from the European exchange rate mechanism in mid-September.

"The strategy for growth should consist of an orientation of public spending toward things that will promote growth," Mr. Davies said.

Meanwhile, the Institute of Directors said in London that confidence in the economy among British business leaders had dropped to its lowest level in October since the 1991 Gulf War.

The institute interviewed 312 of its members for the survey, more than half of them chairman or managing directors in all companies of all sizes.

The organization's latest Business Opinion Survey found only 10 percent of directors felt more optimistic about the economy in October, down from 13 percent in the previous survey in August and down from 50 percent in June.

Only in February 1991, during the Gulf War, were even fewer business leaders positive about the economy, with just 8 percent saying they were optimistic.

The main business worry in October continued to be insufficient demand, the institute said.

Mr. Kohl, whom the weekly Der Spiegel portrayed as a newly converted "Savings Commissar," told his cabinet he

See SPENDING, Page 13

ERM Works German Public Spending Cuts Spark Infighting

But System Is Flawed, OECD Says

By Brandon Mitchener
International Herald Tribune
FRANKFURT — Germany's coalition government, already under external fire for a plan to raise taxes, is now increasingly upset by internal bickering over plans to cut public expenditures for the poor, elderly and socially disenfranchised as the country dips into recession.

The often-bitter infighting revolves around various painful proposals on paying for German unification. Finance Minister Theo Waigel, for example, last week suggested trimming federal spending by 7 billion Deutschmarks (\$4.4 billion).

Critics said the planned cuts would primarily hurt the least resilient victims of recession, while not saving nearly as much as is needed to close a projected budget shortfall of 20 billion DM.

The federal labor minister, Norbert Blum, in the latest exchange, on Sunday emotionally denounced a proposal by a fellow Christian Democratic Union official to raise the mandatory retirement age to 70 from 65.

Kurt Biedenkopf, the CDU head of Eastern Germany's state of Saxony, meanwhile, complained to Chancellor Helmut Kohl last week that Mr. Waigel lied about the extent of Western Germany's sacrifices for the East.

But the system is flawed in the same way that nearly two decades ago caused the postwar Bretton Woods system of fixed exchange rates to collapse.

The analysis is liberal in apportioning blame. Without explicitly citing Britain, the study rebukes the government for having allowed "divergences of economic fundamentals" with Germany to become too large.

Although the United States is not linked to the European Monetary System, it is cited for its "benign neglect" of the dollar.

See CRISIS, Page 13

politician was attacking not only his own credibility, but also that of Mr. Kohl, who heads the CDU.

Privately, however, Mr. Waigel seemed to be leaning toward an admission that his numbers did not add up.

The chancellor so far is withstanding criticism better than the finance minister. At a weekend CSU convention in Nuremberg, Mr. Kohl received a two-minute ovation after his speech, while Mr. Waigel, the party chairman, received only 90 seconds of applause.

Mr. Kohl, whom the weekly Der Spiegel portrayed as a newly converted "Savings Commissar," told his cabinet he

Singapore Notebook

Telecom Banks on Winning Australian Bid

More than just commercial interest is at stake for Singapore Telecom International in its bid to win Australia's third mobile-telephone license.

STI, the overseas investment arm of the island's government-owned telecommunications monopoly, Singapore Telecom, has budgeted 1.6 billion Australian dollars (\$1.1 billion) to develop and operate the Australian network over the next 10 years.

Results of the bidding are to be announced early in 1993. Two other contenders are vying for the contract: Hutchison Telecommunications Australia, a unit of Hong Kong's Hutchison Whampoa Ltd., and Arena GSM, a consortium led by Britain's Vodafone Group PLC.

STI has been investing aggressively overseas since 1989. It has spent more than 200 million Singapore dollars (\$123 million) to form joint ventures with, or buy stakes in, telecommunications companies in the United States, Thailand, Sri Lanka, Vietnam, Australia, Indonesia and Britain.

With its own relatively small domestic market pretty well saturated, Singapore Telecom must look offshore for future growth.

Time for a Trade Bloc? Demands by a Clinton administration for more equal benefits in trade with Asia, combined with a breakdown in the Uruguay Round of trade talks, would

strengthen calls for East Asian nations to form their own trade group.

The countries in East Asia that have the largest trade surpluses with the United States—Japan, China and South Korea—have been among the most reluctant to form such a group.

Malaysia has been campaigning for an East Asia Economic Council, which it says would defend regional interests and fight protectionism.

Indonesia has proposed that to overcome U.S. Japanese and South Korean objections to the caucus, it should not be a free-standing body but instead act as a lobby within the Asia Pacific Economic Cooperation forum.

All Alatas, the Indonesian foreign minister, said that the Indonesian proposal did not yet have full support from all six members of the Association of Southeast Asian Nations.

He warned that if the Uruguay Round were to collapse and the United States and Europe became more inward-looking, it would strengthen the hand of those in Asia who say, "O.K., then we will have to take care of ourselves too."

Tax Overhaul Weighed

The Singapore government is preparing public opinion for a possible revamp of the tax system that would reduce corporate and personal tax rates in exchange for introduction of a spending tax.

Malaysia recently announced that it would cut the country's corporate and maximum personal income tax rate to 34 percent from 35 percent.

This is still higher than Singapore's corporate rate of 30 percent and maximum income rate of 33 percent.

With an eye to the future, when Singapore may have to offer a more competitive tax regime to prevent foreign investors from being drawn to lower-tax countries in Asia, the government is preparing a public information paper on a goods and services tax.

Michael Richardson

THE TRIB INDEX
International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Week ending November 6, daily closings, Jan. 1992 = 100.

Slower Growth Is Forecast for Southeast Asia

Agence France-Press
MANILA — Economic growth in Southeast Asia is expected to decline slightly to 5.7 percent this year, from 6 percent in 1991, because of high inflation and interest rates, according to an Asian Development Bank study.

CITINVEST
49, boulevard Prince Henri, L-1724 Luxembourg
RC LUXEMBOURG B 24480
NOTICE TO ALL UNITHOLDERS
By decision of the Management Company, Citinvest S.A., CITIBANK N.A., LONDON has been appointed investment advisor for the Citinvest Managed Growth USD and Euro Portfolios and for the Citinvest Guardian Euro Portfolio in lieu of Citibank (Switzerland). The revised Sales Prospectus dated November 1992 will reflect this change.

CURRENCY RATES
Cross Rates
Nov. 6
Austrian dollar 1.785 2.70 1.22 0.335 0.131*

ADD FULL EFFICIENCY TO YOUR BUSINESS TRIPS
CHOOSE THE AEROLEASING CLASS
Worldwide destinations to your own schedule, in total comfort and confidentiality on board our modern fleet of jets with swiss reliability.

Once Again the Highly Successful Seminar on NEGOTIATION
conducted by professors Deborah M. Kolb & Jeffrey Z. Rubin of HARVARD LAW SCHOOL'S PROGRAM ON NEGOTIATION

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Nov. 6.

Table with multiple columns listing stock symbols, prices, and market data. Includes sections for 'A', 'B', 'C', 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

- The U.S. Election
World Monetary Crisis
Slaughter in Sarajevo
Mideast Peace Talks
Maastricht Ratification
Reform in China

These events affect all our lives. Shouldn't you be following them daily in the IHT?

Subscribe 46% and save up to off the newsstand price

CALL US TOLL-FREE IN FRANCE: 05 437 437 GERMANY: 0130 848585 SWITZERLAND: 155 57 57

Or send in the coupon below:

Subscription Rates and Savings off IHT newsstand price. Table with columns for Country/Currency, 12 months, 6 months, and 4 months.

Yes, I want to start receiving the IHT (my payment is enclosed). This is the subscription term I prefer (check appropriate boxes):

- 12 Months (364 issues in all)
6 Months (182 issues in all)
My check is enclosed (payable to the International Herald Tribune)
Please charge my Credit Card (American Express, MasterCard, Visa)
Others: Eurocard Access

Form fields for CARD ACCT. NO., EXP. DATE, SIGNATURE, MR. / MRS. / MS. / Mlle. FAMILY NAME, FIRST NAME, PERMANENT ADDRESS, CITY/CODE, COUNTRY, and FAX.



Return your completed coupon to: Subscription Manager, IHT, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Fax: 33.1.46.37.05.51 - Tel: 33.1.46.37.93.61

(Continued on Page 14)

New International Bond Issues

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupons, and Equity-Linked.

Refunding Looms Large on Bond Market Horizon

NEW YORK — U.S. Treasuries, bent out of shape by the presidential election and the October jobs report, face another challenge this week in the quarterly refunding.

on Monday, analysts said. That could set the tone for a resurgence of buyer interest in the refunding as a whole.

followed by the sale of \$11.25 billion of 10-year notes on Tuesday and \$10.25 billion of 30-year bonds on Thursday.

U.S. Consumer Credit Picks Up The Federal Reserve said consumer credit grew at a 2.7 percent annual rate in September, the first increase in eight months and a sign that consumers may have pared debt down to manageable levels.

Iran Urges Controls on Oil Output

LONDON — Iran called Sunday for tighter output controls within the Organization of Petroleum Exporting Countries.

Iran dissented from the final OPEC agreement in September on the grounds that it did not impose strict enough controls on output, which rose above 25 million barrels a day in October for the first time since 1980.

The Week Ahead: World Economic Calendar, Nov. 9 - 13

Table listing economic events for Asia, Europe, and Americas from Nov 9 to 13, including interest rate changes, trade agreements, and government reports.

BONDS: Threat of U.S.-EC Trade War Is Added to List of Reasons to Buy

(Continued from first finance page) billion francs of 7-year paper and Société Générale 1.5 billion of 10-year bonds.

Medium-term notes, or MTNs, are essentially private placements. Initially they were substitutes for Eurobonds but smaller in size and aimed at lowering issuing costs and speeding payment.

But bankers estimate that such "plain vanilla" business now accounts for less than a third of the activity, with "structured" deals much more prevalent.

CRISIS: European Currency Grid Works but Is Flawed, OECD Study Says

(Continued from first finance page) which added upward pressure on the Deutsche mark and increased strains within the exchange-rate mechanism.

The policy mismatch of deficit spending to finance unification offset by a restrictive credit policy has resulted in German interest rates pulling those of its partners in the currency grid "beyond the levels that would have been wanted at the present stage of the business cycle," it says.

But the fact that price stability is the system's main purpose limits the degree in which German monetary policy can be relaxed.

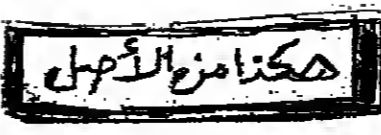
SPENDING: Planned German Cuts Spur Infighting

(Continued from first finance page) wanted to put the irritating "savings thing" behind him by the end of the year.

Most economists said the government would be forced to borrow more heavily on capital markets to help make ends meet.

German companies are becoming less willing to make investments, are seeing capacity usage in the West fall and are generally pessimistic about the outlook for the coming months.

Advertisement for Turkish Airlines featuring a pilot and the slogan 'RELIABILITY AND PRECISION... It goes without saying that the basic concept of flying is safety... and precision is professionalism!'



U.S. / AT THE CLOSE

Erdman's New Saga Targets an Old Nemesis — the Swiss

By Lawrence Malkin
International Herald Tribune
NEW YORK — No one ever accused Paul Erdman of being neutral about the Swiss. After all, they put him in jail while they were investigating his bank, inadvertently starting him on a career as a best-selling writer of financial thrillers, or fi-fi, as someone once tagged the genre that has earned him millions.

They started to cater to the ugly dictators of the world — all of them. Unusual for a novel, "The Swiss Account" has footnotes citing documentary sources and Mr. Erdman's own thesis on Swiss-American financial relations.

Andreas Hubschmid, secretary of the Swiss Bankers Association in Basel, countered by asking: "How about Oliver North of your National Security Council? When he opened an account here he represented the American government. Why blame Swiss bankers?"

bank that accepted the remnants of the Spanish Republic treasury in the final months of the Spanish Civil War. "After the war," Mr. Erdman said, "some Spaniards came to claim it, and the banker asked, 'But who are you? You are not the Spanish government.' He kept the money." The bank was finally merged with the assets of a larger institution when it went under in 1971 in an Italian real estate speculation.

branch of United California Bank — Salik Bank of Basel — which made a killing borrowing sterling months before Britain devalued the currency in 1967. But in 1970 his traders overreached themselves speculating in commodities and the bank lost \$66 million. Jailed for 10 months while the Swiss magistrate investigated, he began his first novel, "The Billion-Dollar Sure Thing," about a thief who inadvertently steals official papers about plans to devalue the dollar.

WORLD STOCKS IN REVIEW

Amsterdam
Stock prices posted marginal gains despite the surprise announcement by Philips Electronics NV of a large quarterly loss. The CBS all-share index rose just 1.8 points during the week, to close at 193.6 on Friday. Volume fell slightly. Philips saw its share price trimmed by 10 percent after reporting Thursday that it had posted a loss of \$87.5 million in the third quarter. On the other hand, Akzo firmed after reporting a higher-than-expected profit for the quarter.

Hong Kong
Stock prices rose in a bull run sparked by the victory of Bill Clinton in the U.S. election. The Hang Seng Index gained 124.32 points, or 2.01 percent during the week, to close Friday at 6,315.01. Volume was brisk. Prices rose despite uncertainty over the outcome of a British vote on the Maastricht treaty and a Sino-British row over Hong Kong's political future. Brokers said they expected the market to trade between 6,300 and 6,450 points this week, before an assault on the psychological 6,500-point level.

Singapore
Share prices gained in active trading on the Singapore market. The Straits Times Industrial Index added 26.12 points during the week, to close at 1,413 on Friday, while the broader-based SES All-Singapore Index gained 8.69 points to 373.13. Turnover soared. Figures underlining the strength of the Malaysian economy provided the basis for heavy trading in Malaysian stocks.

Zurich
Stock prices rose modestly on the Zurich exchange. Banks finished lower. The Swiss Performance Index gained 13.83 points during the week to close at 1,166.59 on Friday. Turnover was thin. Dollar-sensitive issues rose in line with the firmer dollar and Bill Clinton's U.S. presidential victory. In the chemical and pharmaceutical sectors, Ciba-Geigy gained 14 Swiss francs to 621 and Sandoz put on 10 to 2,850. Banks finished lower.

Fly to Johannesburg twice. Fly to New York twice. And a companion can fly with you to Cairo free.



If you often fly Swissair, Austrian Airlines or Crossair, the new Qualiflyer program will appeal to you. How does it work? Simple. As a frequent traveller, you now get credit for every mile you fly. The accrued mileage entitles you to a reward, such as a free ticket for yourself, a friend, or for a family member. Detailed information on your choice of rewards is available from Swissair or Austrian Airlines personnel. Or, if you send in the coupon below, from one of our Qualiflyer Service Centers.

NASDAQ NATIONAL MARKET

Table with columns for OTC Consolidated trading for week ended Friday, Nov. 6. Includes sub-tables for various sectors like Biotech, Chemical, and Tech.

GPA Grapples With a Cash Crisis

DUBLIN (Reuters) — Bankers for GPA Group PLC, the world's largest aircraft-leasing firm, are locked in talks over a refinancing package to solve a cash crisis, aviation sources said Sunday. GPA has been urgently trying to solve its liquidity problems since the last-minute cancellation of its worldwide flotation in June due to lack of investor support.

Conflicting Views of Westpac Status

SYDNEY (AFP) — John Dawkins, Australia's treasurer, dismissed on Sunday market speculation about a takeover of Westpac Banking Corp., while a major U.S. shareholder expressed growing concern. "The advice that I've got is that Westpac is essentially a sound bank," Mr. Dawkins said. "I've got no information to suggest otherwise."

U.S. Thrift Regulator Ryan Resigns

SAN DIEGO (AP) — The chief U.S. savings and loan regulator is resigning after two and a half years of presiding over the unprecedented closing of more than 700 failed institutions. In a speech prepared for delivery Monday to the Savings and Community Bankers of America, Timothy Ryan said he would leave Dec. 4 as director of the Office of Thrift Supervision. Mr. Ryan, a lawyer, said he would pursue business interests outside government but was not specific.

Stempel Undergoes Bypass Surgery

DETROIT (Bloomberg) — Robert C. Stempel, the former General Motors Corp. chairman, has undergone heart bypass surgery, WXYZ-TV in Detroit said Sunday. Mr. Stempel, 59, was forced by GM's board of directors to resign Oct. 26 for failing to act quickly enough to stem record losses at the automaker. However, he is staying on as a special adviser to the company. On Oct. 13, Mr. Stempel was taken to a Washington hospital after he complained of feeling ill during a business meeting. Doctors said he was treated for high blood pressure before being released two days later.

China's Foreign Reserves on Rise

BEIJING (Bloomberg) — China's foreign-exchange reserves rose \$2.4 billion to \$45.1 billion in the half-year through June, the Business Weekly newspaper, published by the China Daily, reported. The increase is modest compared to the \$14.1 billion year-on-year rise to \$42.7 billion in calendar 1991.

Last Week's Markets

Table showing Stock Indexes, Money Rates, and Bond Yields for the week ending Friday.

GOVERNMENT SECURITIES FUND

fonds commun de placement
PRIBOND MANAGEMENT S.A. (previously GOVSEC GESTION S.A.)
société anonyme
20, boulevard Emmanuël Servais
L-2535 Luxembourg
R. C. Luxembourg N° B 21204

Advertisement for Herald Tribune Living in the U.S. Now printed in New York for same day delivery in key cities. Includes phone number 1-800-882-2884.

Advertisement for BusinessWeek magazine. This week's topics include President Clinton's first 100 days, lessons from Bush's defeat, Mercedes Stump Rocks Daimler, Bill Gates's big biotech gamble, and Gucci needs to bag some cash.

MONDAY SPORTS GOLF

SIDELINES

U.S. All-Stars Victorious in Japan

TOKYO (AP) — Ken Griffey Jr. drove in two runs with a home run and a double Sunday, leading the U.S. major league baseball all-stars to a 4-3 victory over the Japanese in the Americans' final game in Japan.

IOC Won't Act on Bias at Augusta

ACAPULCO, Mexico (Reuters) — The IOC will not ask Augusta National Club to lift restrictions on black and female members if it hosts an Olympic golf tournament in 1996, the IOC president, Juan Antonio Samaranch, said on Saturday.

Samaranch, speaking after a week of Olympic meetings in Acapulco, said Augusta's membership policy was not a matter for the International Olympic Committee, although the Olympic charter forbids discrimination.

The Atlanta organizers have asked the International Olympic Committee to add golf to the Games, on an experimental basis. The proposed venue for the men's and women's tournaments is the Augusta course, home of the Masters. But the club's membership restrictions — it admits no women and has only one black — have called its suitability into question.

Ruling for Plaintiff in Johnson Case

NEW YORK (Combined Dispatches) — A federal judge has ruled that the name of the woman who has accused Magic Johnson of infecting her with the HIV virus must not be disclosed by court personnel and lawyers involved in the case, but that Johnson could be identified as the defendant.

The ruling Friday by District Judge Richard Easten in Kalamazoo, Michigan, denied the key element of a motion filed by news organizations. The judge accepted the argument by the woman's lawyer that disclosure of her name would subject her to extreme embarrassment.

Johnson has confirmed he was the defendant and acknowledged having had sex with the woman. But Friday in Los Angeles, asserting he was not responsible for her contamination, he said, "People are always going to come out whenever dollars are involved."

Anti-Semitism at Florence Soccer

FLORENCE (AP) — Roma fans waved a Nazi banner during their team's soccer match Sunday against Fiorentina and the home team supporters yelled anti-Semitic insults, the news agency ANSA reported.

Some fans waved a banner that had the Italian flag on one side and the Nazi flag on the other, it said. Witnesses said some Roma fans thrust out their arms in the fascist salute, Fiorentina fans shouted at the Roma supporters, "You are like Jews," the agency reported.

For the Record

New Zealand skipper Martin Crowe scored 94 off Zimbabwe in a one-day cricket match in Harare on Sunday, leading his side to victory with two runs to spare after Zimbabwe had set a target of 271.

Azumah Nelson of Ghana retained his World Boxing Council super featherweight title, defeating Calvin Grove in a 12-round unanimous decision at Lake Tahoe, Nevada, on Saturday.

Chelsea has signed the Russian international goalkeeper Dmitri Kharin from the European Cup semifinalist CSKA Moscow, the London soccer club said Saturday.

Mason Rheaume of the International Hockey League's Atlanta Knights on Friday became the first woman to suit up for a regular-season pro hockey game. But the 20-year-old goalie from Quebec never got into action as Atlanta lost, 3-2, in overtime to the Cincinnati Cyclones.

Philippine League Not Little Enough

MANILA — Philippine Little League officials used average players and faked competitors' names in putting together the team that was eventually stripped of the world series title, newspaper reported.

The Philippine Daily Inquirer, whose reports led to the team's disqualification in September, said Saturday that the Zamboanga line-up consisted entirely of unqualified players.

Little League officials stripped the Zamboanga team of the title and awarded it to Long Beach, California, after learning that eight of the 14 players were not from the southern Philippine city. Zamboanga won the World Series in August, beating a Long Beach team, 15-4.

The Inquirer said the six who were from Zamboanga were average and played under false names. The newspaper said the makeup of the team represented a conspiracy involving Little League officials, players and their parents.

For example, the report said the player known as Jemar Alfaro was in fact Alvin Alfaro, a 15-year-old who played under his cousin's name. Jaime Alfaro, who identified himself as the father of Jemar, denied the report, saying his son played under his own name and was 12 at the time of the tournament.

The paper also said that Ignacio Ramacho, another player, was actually Ernesto Vinaro, a 13-year-old high school freshman. The real Ramacho, the report said, is 12.

Marlon Pantaleon is 14-year-old brother Melvin, Expedito Alvarez is Gilbert Alvarez, a 15-year-old, and Ricardo Marcos is Rodel Marcos, 14, the paper said.

It added that the Zamboanga team captain, Allan Binun, was actually Junifer Binero, a 14-year-old second year high school student.

Hat Trick + 1 For Van Basten

ROME — Marco van Basten scored four goals to lead AC Milan to a 5-1 rout of Napoli at Naples on Sunday and keep his unbeaten club two points ahead of Torino in Italian soccer's first division.

Van Basten shone just days after signing a two-year extension of his contract. Napoli, knocked out of the UEFA Cup by Paris Saint Germain on Wednesday, plunged into the relegation zone as the team continued its descent since winning the league championship in 1990.

Milan has not lost a league game for a year and a half. (Reuters, AFP)



Shaquille's Big Start

Shaquille O'Neal, the NBA's top draft pick, starting his season against the Miami Heat, racked up 12 points in the Orlando Magic's 110-100 victory. He scored 22 more against the Washington Bullets on Saturday night in a 103-98 triumph.

U.S. Nips Sweden At Final Hole In World Cup

MADRID — The United States scored a spectacular one-shot victory over Sweden in a hotly contested World Cup golf championship on Sunday when Fred Couples and Davis Love 3 both birdied the final hole.

The American pair came to the 18th one shot behind the Swedes, the defending champions. But Love ran in a difficult 15-foot (4.6-meter) birdie putt and Couples approached brilliantly to 2 feet and sank another birdie.

The Swedes, Anders Forsbrand and Per-Ulrik Johansson, settled for pars on the deciding hole. Forsbrand found a bunker with his approach and Johansson's 4-foot birdie putt missed on the right side.

Couples compiled a superb closing seven-under-par 65 and Love a 70 for a 28-under-par winning total for four rounds of 548.

Johansson matched Couples's 65 and Forsbrand equaled Love's 70 in the losing cause.

Brett Ogle of Australia won the individual title with a birdie 3 on the first hole of a playoff against Ian Woosnam of Wales.

The Americans had led or shared the lead since the first day. But late in Sunday's round, Sweden came back, and the Swedish pair was in front with two holes to play.

But Love rammed his approach at the 17th hole to within 4 feet and made the putt for a birdie, leaving it all to be decided at the final hole. Couples, the U.S. Masters champion, had eight birdies in his round, his only bogey coming at the 14th when he three-putted from 25 feet.

The two Americans were first and second on the U.S. Tour money list this year after three victories each. The Americans shared \$240,000 for their triumph; the Swedes split \$120,000.

Wales and Australia shared third place six shots behind Sweden. Germany was fifth, another stroke behind, and host Spain was sixth after fading from contention on the last day.

Price Wins in Auckland

Zimbabwe's Nick Price came from behind Sunday to win the \$160,000 New Zealand Open in a sudden-death playoff against Lucas Parsons of Australia, Agence France-Press reported from Auckland.

Price, the U.S. PGA champion, shot a seven-under-par 63, then parred the par-3 first playoff hole while Parsons bogeyed.

Sports Policy Advice for Clinton: Magic, Music and the Masses

By George Vecsey, New York Times Service

NEW YORK — This may sound like heresy coming from somebody who earns a living writing about sweaty people, but I was cheered by the prospect that the president-elect is more of a music buff than a hard-core sports fan.

Bill Clinton would apparently rather play saxophone with his favorite musicians than plunk on the latest sports champions.

There are, however, a few sports-related moves Clinton should make right away. First, he should urge Magic Johnson to rejoin the National AIDS Commission. Second, he should renounce all Rose Garden receptions as a waste of time and money. And third, he should pressure baseball to restore a meaningful com-

Vantage Point

missionership and revive a nationally televised game of the week on Saturday afternoons, or face some questions about baseball's cushy antitrust exemptions.

It was unfortunate that Johnson felt the need to leave the AIDS commission just before announcing his abortive comeback in September. He said the Bush administration was not doing enough to combat AIDS, and he was probably right.

Johnson's first year as an HIV carrier was occupied by personal adjustments, playing for the "Dream Team" in Barcelona and planning a comeback with the Lakers. How serious was his attention span?

Now that Johnson has faced the reality that many players do not want him bleeding on them, he should put his persona behind the cause of fighting AIDS and the fear of AIDS, two different things.

Circle, rather than athletes shuffling around, uncomfortable in blazers.

Clinton is said to enjoy watching football and basketball, and was a St. Louis baseball fan as a boy, when the Cardinals were the farthest team west.

There is a yuppified turn to his baseball tastes. He apparently switched to the Cubs after marrying Hillary Rodham, who is from what they call Chicagoland. At the same time, WGN got into the superstation cable business, which is a symptom of baseball's current malaise. The big dogs are unwilling to share the cable television bonanza with the little dogs, while network television stages midnight World Series games and ducks regular Saturday games for the downscale half of the nation that does not receive cable.

The president-elect ran on a promise of change and concern for the little people. While baseball still has some marginal claim on being the "national pastime," Clinton could make a few rumblings about baseball suffering everybody. He'll never have a better bully pulpit than the next few weeks.

NASDAQ NATIONAL MARKET

Table with columns for OTC Consolidated trading for week ended Friday, Nov. 6, listing various stocks and their prices.

Table with columns for Sales in 1992 High Low Close Chg, listing various stocks and their sales data.

Table with columns for Sales in 1992 High Low Close Chg, listing various stocks and their sales data.

Table with columns for Sales in 1992 High Low Close Chg, listing various stocks and their sales data.

ZURICH • CAYMAN ISLANDS • FRISCO, TEXAS • AUSTIN, TEXAS • TORONTO • HONG KONG • SEATTLE • LONDON • VIENNA • TOKYO • ISLE OF MAN • AMSTERDAM • JERSEY • LIECHTENSTEIN • VANCOUVER • MONTREAL

Royal Trust Opens Up The World To You.

Welcome To Royal Trust's Open World Service.

Our Business. The International Protection And Performance Of Private Capital. Our Promise. We Can Make A World Of Difference.

Royal Trust International, Limmatquai 4, CH-8024 Zurich, Switzerland Phone 41-1-261-9600 Fax 41-1-252-9422

This Way To Open World.

Call us Fax us Or mail us this coupon We'll send you Open World Information Package. It's an eye-opener. It's a world-opener.

Name Street City Country Postal Code Tel Fax

ROYAL TRUST OPEN WORLD SERVICE Limmatquai 4, CH-8024 Zurich, Switzerland PHONE 41-1-261-9600 FAX 41-1-252-9422

Pa Pag Page 16 INTERNATIONAL HERALD TRIBUNE, MONDAY, NOVEMBER 9, 1992

MONDAY SPORTS AUTO RACING

Mansell-Senna Crash Helps Berger

Briton Hints Adelaide Wasn't His Last Prix, After All

ADELAIDE, Australia—Austria's Gerhard Berger won the Australian Grand Prix on Sunday after a crash with Ayrton Senna stopped the world champion, Nigel Mansell, from getting his first triumph in Adelaide.

SCOREBOARD

BASKETBALL

Table with NBA Standings, Eastern Conference, and Western Conference columns.

FRIDAY'S RESULTS

Table listing basketball game results for Friday, Nov 6.

SOCCER

Table listing soccer results from various leagues including Dutch First Division and Spanish First Division.

HOCKEY

Table listing NHL Standings and results from various divisions.

AUTO RACING

Assian Grand Prix

Table listing Assian Grand Prix results for various classes and drivers.

CRICKET

Table listing cricket results from various international matches.



Nigel Mansell's Williams-Renault, left, being hit by Ayrton Senna's McLaren-Honda during Sunday's Australian Grand Prix.

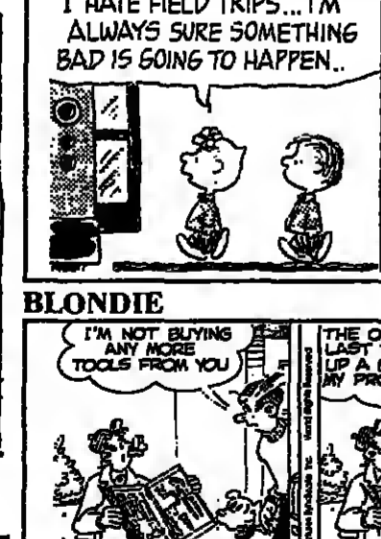
FOOTBALL

Table listing Major College Scores for various sports including football, basketball, and tennis.

DENNIS THE MENACE



PEANUTS



CALVIN AND HOBBES



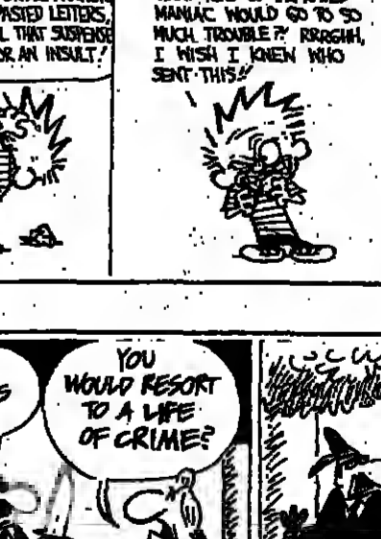
WIZARD of ID



REX MORGAN



GARFIELD



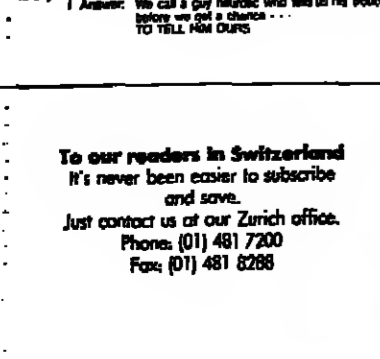
DOONESBURY



JUMBLE

A word puzzle game called Jumble with a grid and clues.

BEETLE BAILEY



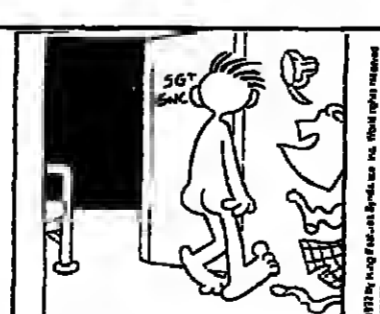
BLONDIE



DOONESBURY



REX MORGAN



GARFIELD



WIZARD of ID



REX MORGAN



GARFIELD



DOONESBURY



REX MORGAN



GARFIELD



DOONESBURY



GARFIELD



To our readers in Switzerland It's never been easier to subscribe...

Large vertical advertisement for Marlboro cigarettes with the brand name and 'The Taste of a Legend' slogan.

MONDAY SPORTS TENNIS

Cowboys Wreak Revenge

Lions' Loss Worst At Home Since '64

Compiled by Our Staff From Dispatches
PONTIAC, Michigan — Emmitt Smith scored three touchdowns and the Cowboys avenged a pair of losses to Detroit last season with a 37-3 rout on Sunday, the Lions' worst home loss in 28 years.



Boris Becker on Sunday upon winning his third Paris Open title.

Becker Overpowers Forget in Paris Final

By Ian Thomsen
International Herald Tribune

PARIS — All Sunday long their serves and forehands had been ricocheting sky-high off the back walls and judging chairs, like the tin cans do when Clint Eastwood shoots at them. Guy Forget started at the scoreboard and let out a big breath, hopping in and while the umpire pleaded for quiet. The place sounded enormously like a TGV tunnel. "For-zhay, For-zhay," it went, one train flashing by after another.

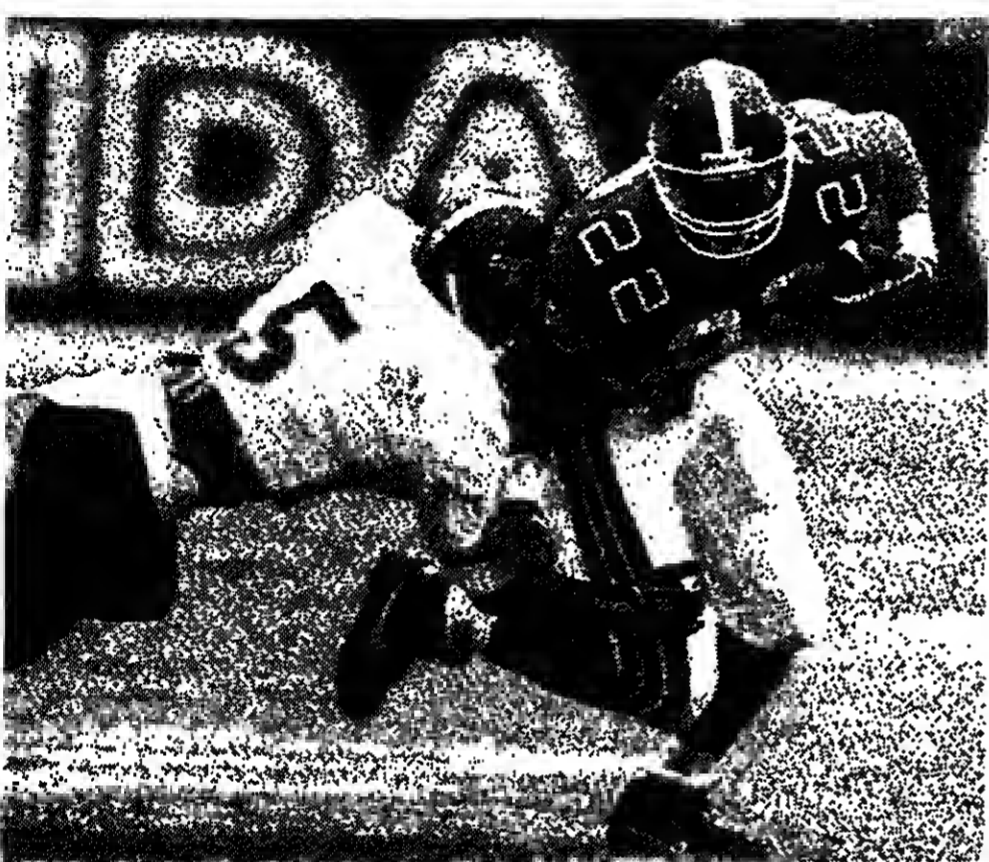
ATP World Championship next week in Frankfurt. "Most people would be happy to be No. 9 in the world, just to be it for one week," he said, but early this summer his dwindling performances had finally gotten to him. He decided he was going to work hard again. He rediscovered that the lag time between effort and result was deadly frustrating. Before this week he had won only twice all year.

"I knew the moment that he gets on top of me, he is a different player," Becker said of Forget. "He has shown it the whole week — he is just that much ahead of the other guy, then 15,000 people get behind him and he plays on another level. I knew from the beginning the most important part of the match was that somehow I had to make sure that he is not ahead. I was trying very hard to win the first set, to always be ahead just a little bit."

thousands of pigeon wings, and loudly. Everyone believed Forget might still come back. Everyone but him. "I felt really I was powerless," said Forget. "I really had the feeling he was very strong. At certain times he was remarkable. It is very difficult to remain optimistic — maybe not optimistic — but to remain positive in those circumstances. I was saying to myself, 'Try to keep the pressure up and try to stay at his level, and maybe at one stage he will give you an opportunity.' But at times I felt powerless."

NFL ROUNDUP

defense on a 10-yard TD run before Minnesota lost its shutout with 4:33 remaining on Gary Anderson's 4-yard run. The Vikings stopped Tampa Bay drives at their 21, 36 and 9-yard lines in the second half. Minnesota, 7-2, leads the NFC's Central Division.



Southern Mississippi's Luben Rankins corraling Willie Jackson during Florida's 24-20 victory.

Wildcats Claw No. 1 Huskies

Compiled by Our Staff From Dispatches
Only one thing now seems certain in the national championship picture — Washington is out. The top-ranked Huskies were upset by No. 12 Arizona, 16-3, on Saturday, ending their 22-game winning streak.

Alabama 31, Louisiana State 11: In Baton Rouge, the Crimson Tide won their 19th straight. Alabama's winning streak is the second-longest in the nation, trailing Miami's 26-game string. Alabama is now 9-0 and 6-0 in the SEC.

the win for No. 21 Stanford, 7-3 and 4-2 in the Pac-10, over the No. 11 Trojans, 5-2-1 and 4-2. Florida 24, Southern Mississippi 20: In Gainesville, Fla., Ernie Rhet's 3-yard TD run in the fourth period and a late defensive stand helped No. 14 Florida, 6-2, shake off Southern Mississippi, 6-4.

Should Alabama lose, No. 5 Texas A&M could face Miami for the national championship on New Year's Day in the Cotton Bowl. Michigan will probably play Washington in the Rose Bowl. Arizona 16, Washington 3: In Tucson, the Wildcats' "Desert Swarm" defense did to Washington what it did to Miami earlier this season. This time, though, the final score favored Arizona, which improved to 6-2-1 and 4-1-1 in the Pac-10. The Huskies (8-1, 5-1) managed only a field goal against the Wildcats' defense. Steve McLaughlin, who missed a last-play field goal against Miami in Arizona's 8-7 loss, kicked three three-pointers.

COLLEGE FOOTBALL
State, 8-1 overall and 8-0 in the Atlantic Coast Conference, rolled up a conference-record 858 yards and 40 first downs. Nebraska 49, Kansas 7: In Lincoln, Nebraska, Tommie Frazier threw three touchdowns passes for No. 7 Nebraska. The victory gave Nebraska 7-1 overall and 4-0 in the Big Eight, the inside track on a berth in the Orange Bowl and left No. 13 Kansas, 7-2 and 4-1, winless in 20 games against Nebraska coach Tom Osborne.

Ohio State 17, Minnesota 0: In Columbus, Ohio, Robert Smith rushed for 119 yards and both touchdowns for No. 22 Ohio State, 7-2 and 4-2 in the Big Ten. Minnesota, 1-7 and 1-5, hasn't won at Ohio Stadium since 1949. Washington State 20, Arizona State 18: In Pullman, Washington, Arizona State tight end Bob Brasher dropped a conversion pass in the end zone with 2:59 remaining to allow No. 25 Washington State, 7-2 and 4-2, to hold on.

INTERNATIONAL CLASSIFIED

PERSONALS, ANNOUNCEMENTS, REAL ESTATE FOR SALE, REAL ESTATE TO RENT/SHARE, EMPLOYMENT, SENIOR INTERNATIONAL FUND MANAGER NEEDED, EDUCATIONAL POSITIONS AVAILABLE, LEGAL SERVICES, ACCESS VOYAGES, EMBASSY SERVICE, BUSINESS OPPORTUNITIES, BANK & TRUST CO., OFFSHORE, VINTAGE WINE, BUSINESS SERVICES, 2ND TRAVEL DOCUMENTS IMMIGRATION, IRISH NON-RESIDENT COMPANIES £195, ACT NOW, FINANCIAL INVESTMENTS, FUNDING PROBLEMS?

ESCORTS & GUIDES
BELLE EPOCH
LONDON 071 557 2622
CREDIT CARDS WELCOME

INTERNATIONAL CLASSIFIED
ESCORTS & GUIDES
CHERIE ESCORT SERVICE
21 Beachfront Place, London SW3.
Tel: 071 384 6513 Established 18 yrs.

ESCORTS & GUIDES
INTERNATIONAL ESCORTS
Service Available Worldwide
210-745-7996 New York, USA
Major Credit Cards Accepted

ADMINISTRATIVE SECRETARIAL POSITIONS
US Company world leader in pressure fryers and food service equipment - 3 persons in France - Laguy-sur-Marne - 5 mn by bus from RER TORCY MARNE LA VALLEE - seeks:
SECRETARY ASSISTANT
FLUENT FRENCH AND ENGLISH

LANGUAGE

Hopping Along the Hip-Hop Trail

By William Safire

WASHINGTON — "But the Car Never Knew About Hip-Hop" was the headline in a recent U.S. News & World Report. The article was about the Siberian Cadets Corps in Novosibirsk, Russia, where students are learning the real history of Russia along with the cultural activities associated with that country before the rise of communism.

"Yo! MTV Raps." This rapper-turned-lexicographer has collected hip-hop slang in "Fresh Fly Flavor" (Longmeadow Press), an alternative title that joins three favorable terms.

Peter Brook and Debussy Remake Opera

PARIS — In a chapter called "The Deadly Theatre" in his 1963 book, "The Empty Space," Peter Brook called grand opera "a nightmare of vast feuds over tiny details; of surrealistic anecdotes that all turn round the same assertion: nothing needs to change."



Brook: "Impressions de Pelléas," with two pianos and three casts.

essentially a Proustian world with that Proustian hypersensitivity to the hair-splitting nuances of human behavior which Debussy, complicated and passionate man that he was, understood well. In his little piano ballads you see shading which takes you to the world of Proust and the Vinteuil sonata.

Transmuting this finess and detail with one cast is hard enough: doing it with three is what made this production the hardest of Brook's career. On the other hand, he says, each cast makes its own discoveries and feeds them to the others. The result is what Brook always hopes for most: a collective production.

Pa Pag N OT end I Pa Sw th tr scl as ha ac bl th it be Be di low W m is w ed n. vi fr di W Via Ag At Sit gain down NV Th 1.8 p at !: stigh Ph triming 7 los quart expo Fr Th grous cast year. Tt point week day. Tt with U.S. to hit mark and by a fidet mcn. hurt W Fly

WEATHER

Weather forecast section including maps of Europe, Asia, and North America, with temperature and precipitation data for various regions.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to the puzzle from Nov. 6.

BOOKS

HEMINGWAY: A Life Without Consequences. By James R. Mellow. Illustrated. 704 pages. \$30. Houghton Mifflin. Reviewed by Christopher Lehmann-Haupt.

HEMINGWAY: A Life Without Consequences. By James R. Mellow. Illustrated. 704 pages. \$30. Houghton Mifflin. Reviewed by Christopher Lehmann-Haupt.

BRIDGE

THE last deal of a match is a particularly dangerous one, and players make errors of judgment more often than they normally would early in the proceedings.

Advertisement for AT&T USA Direct Service, featuring a large image of a globe and the slogan "Speed up the approval process." Includes a table of international access numbers.